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Attorneys for Defendant
STATE FARM GENERAL INSURANCE COMPANY

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

LAURA YAMAGUCHI, an individual;
and ADOLFO CASTELLON, an
individual,

Plaintiffs,

v.

STATE FARM GENERAL INSURANCE
COMPANY and Does 1 through 25,

Defendants.

CASE NO.

[Marin County Superior Court Action
No. CIV2102396]

**DECLARATION OF TODD A. ROBERTS
IN SUPPORT OF DEFENDANT STATE
FARM GENERAL INSURANCE
COMPANY'S PETITION FOR REMOVAL
OF CIVIL ACTION PURSUANT TO 28
U.S.C. §§ 1332, 1441(b) and 1446
[DIVERSITY JURISDICTION]**

I, Todd A. Roberts, declare as follows:

1. I am an attorney at law licensed to practice before all the courts of the State of California. I am a partner in the law firm of Ropers Majeski PC, and counsel of record for STATE FARM GENERAL INSURANCE COMPANY ("State Farm"), on whose behalf I make this declaration in support of Defendant's Petition for Removal of Civil Action to District Court.

2. I have personal knowledge of the facts stated in this declaration, and if called as a witness, I would and could competently testify to them.

3. Attached as Exhibit "A" are true and correct copies of the Notice of Service of Process, Summons, Complaint, Notice of Case Management Conference, and ADR Informational Sheet, which were served on State Farm on August 3, 2021 by Plaintiffs LAURA YAMAGUCHI

1 and ADOLFO CASTELLON.

2 4. Attached as Exhibit "B" is a true and correct copy of California Secretary of State
3 Record reflecting that State Farm is a corporation organized under the laws of Illinois, with its
4 principle place of business being its headquarters in Bloomington, Illinois.

5 5. The demand of plaintiffs Yamaguchi and Castellon to State Farm on the same day
6 suit was filed in Marin County Superior Court Case No. CIV2102396 was \$882,119.78.

7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct and that this Declaration was executed on September 2, 2021, at
9 Menlo Park, California.

10 

11
12 TODD A. ROBERTS
13
14

EXHIBIT A



Notice of Service of Process

KSB / ALL
Transmittal Number: 23581478
Date Processed: 08/04/2021

Primary Contact: State Farm Enterprise SOP
Corporation Service Company- Wilmington, DELAWARE
251 Little Falls Dr
Wilmington, DE 19808-1674

Entity:	State Farm General Insurance Company Entity ID Number 3461656
Entity Served:	State Farm General Insurance Company
Title of Action:	Laura Yamaguchi vs. State Farm General Insurance Company
Matter Name/ID:	Laura Yamaguchi vs. State Farm General Insurance Company (11458279)
Document(s) Type:	Summons/Complaint
Nature of Action:	Contract
Court/Agency:	Marin County Superior Court, CA
Case/Reference No:	CIV2102396
Jurisdiction Served:	California
Date Served on CSC:	08/03/2021
Answer or Appearance Due:	30 Days
Originally Served On:	CSC
How Served:	Personal Service
Sender Information:	Hanson Bridgett LLP 415-777-3200

Information contained on this transmittal form is for record keeping, notification and forwarding the attached document(s). It does not constitute a legal opinion. The recipient is responsible for interpreting the documents and taking appropriate action.

To avoid potential delay, please do not send your response to CSC
251 Little Falls Drive, Wilmington, Delaware 19808-1674 (888) 690-2882 | sop@cscglobal.com

SUM-100

SUMMONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):
STATE FARM GENERAL INSURANCE COMPANY; and DOES 1-25

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):
LAURA YAMAGUCHI, an individual; and ADOLFO CASTELLON, an individual

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

FILED

JUL 29 2021

JAMES M. KIM, Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: J. Chen, Deputy

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la Información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted puede usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

Marin County Superior Court
3501 Civic Center Drive
San Rafael, California 94903

CASE NUMBER:
(Número del caso) **2102396**

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):

HANSON BRIDGETT LLP, (415) 777-3200
MILES C. HOLDEN / KAMRAN KHAKBAZ
425 Market Street, 26th Floor, San Francisco, California 94105

J. CHEN

DATE:

(Fecha) JUL 29 2021

Clerk, by
(Secretario)

JAMES M. KIM, Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

(SEAL)

SEAL

NOTICE TO THE PERSON SERVED: You are served

- ☐ as an individual defendant.
- ☐ as the person sued under the fictitious name of (specify):

- ☒ on behalf of (specify): **State Farm General Insurance Company**
under: ☒ CCP 416.10 (corporation) ☐ CCP 416.60 (minor) ☐ CCP 416.70 (conservatee)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.90 (authorized person)
☐ CCP 416.40 (association or partnership)
☐ other (specify):

- ☐ by personal delivery on (date):

1 HANSON BRIDGETT LLP
2 MILES C. HOLDEN, SBN 263342
3 mholden@hansonbridgett.com
4 KAMRAN KHAKBAZ, SBN 328911
5 kkhakbaz@hansonbridgett.com
6 425 Market Street, 26th Floor
7 San Francisco, California 94105
8 Telephone: (415) 777-3200
9 Facsimile: (415) 541-9366

10 Attorneys for PLAINTIFFS
11 LAURA YAMAGUCHI and
12 ADOLFO CASTELLON

FILED

JUL 29 2021

JAMES M. KIM, Court Executive Officer
MARIN COUNTY SUPERIOR COURT
By: J. Chen, Deputy

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **COUNTY OF MARIN**

15 LAURA YAMAGUCHI, an individual; and
16 ADOLFO CASTELLON, an individual,

17 Plaintiffs,

18 v.

19 STATE FARM GENERAL INSURANCE
20 COMPANY; and DOES 1-25,

21 Defendants.

Case No. *Div* **2102396**

**COMPLAINT AGAINST STATE FARM
GENERAL INSURANCE COMPANY FOR:**

**(1) DECLARATORY RELIEF – DUTY TO
PAY FOR COVERED DAMAGE/LOSS;
(2) BREACH OF CONTRACT; AND
(3) BREACH OF THE IMPLIED
COVENANT OF GOOD FAITH AND
FAIR DEALING**

DEMAND FOR JURY TRIAL

BY FAX

SUMMONS ISSUED

COMPLAINT AGAINST STATE FARM GENERAL INSURANCE COMPANY

Paid \$ 435 on JUL 29 2021

1 COMPLAINT

2 1. Plaintiffs LAURA YAMAGUCHI and ADOLFO CASTELLON (collectively,
3 "PLAINTIFFS") hereby complain against Defendant STATE FARM GENERAL INSURANCE
4 COMPANY ("STATE FARM"), and DOES 1-25, and alleges as follows:

5 THE PARTIES

6 2. Plaintiff LAURA YAMAGUCHI is and was at all times relevant to this complaint
7 a resident of Marin County, State of California.

8 3. Plaintiff ADOLFO CASTELLON is and was at all times relevant to this complaint
9 a resident of Marin County, State of California.

10 4. PLAINTIFFS allege on information and belief that STATE FARM is and was at
11 all times relevant to this complaint an Illinois corporation and insurance company authorized to
12 transact business in California.

13 5. PLAINTIFFS do not presently know the true names or capacities of defendants
14 named herein as DOES 1 through 25 and, therefore, sue these defendants by their fictitious names.
15 PLAINTIFFS are informed and believe, and on that basis allege, that each of said fictitiously
16 named defendants is in some manner responsible for the acts and omissions complained of herein
17 and for PLAINTIFFS' damages and other relief sought through this Complaint. PLAINTIFFS will
18 ask leave to amend their true names and capacities when the same have been fully ascertained.

19 6. PLAINTIFFS are informed and believe, and on that basis allege, that STATE
20 FARM and each of the fictitiously named defendants are agents of one another and responsible in
21 some manner for the acts alleged in this Complaint.

22 VENUE

23 7. Venue is proper in this Court because a substantial part of the events and/or
24 omissions giving right to the claims in this Complaint occurred in the County of Marin, including
25 but not limited to the subject insurance policy being entered into in the County of Marin, the
26 damage/loss occurring in Nicasio in the County of Marin, and STATE FARM breaching its
27 obligations owed under the subject insurance policy in Nicasio in the County of Marin.

28 //

GENERAL ALLEGATIONS

I. NATURE OF THE CLAIM AND RELIEF SOUGHT.

8. This Complaint concerns insurance-coverage issues between PLAINTIFFS and STATE FARM arising out of damage cause by a tree collapsing on PLAINTIFFS' single-family home, and the associated loss of use and costs of repair ("Damage/Loss"), located at 1250 Nicasio Valley Road, Nicasio, CA 94946 (the "Property").

9. PLAINTIFFS owned the Property at the time the Damage/Loss commenced and still own the Property.

10. STATE FARM insured the Property, and provided coverage for the corresponding Damage/Loss that underlies the allegations in this Complaint, by way of a Homeowners Insurance Policy it issued to PLAINTIFFS.

11. PLAINTIFFS timely tendered to STATE FARM notice of the Damage/Loss and claims for all available insurance coverage.

12. Thereafter, in connection with their claims for insurance coverage, PLAINTIFFS provided STATE FARM with additional information.

13. STATE FARM has failed to comply with all of its obligations to PLAINTIFFS in connection with PLAINTIFFS' tender and claims for insurance coverage concerning the Damage/Loss.

14. PLAINTIFFS also seek damages, fees, and costs against STATE FARM for breaching the insurance policy at issue and the implied covenant of good faith and fair dealing by unreasonably failing to comply with all of its obligations to PLAINTIFFS in connection with, among other things, STATE FARM's improper claims-handling practices, including its failure to pay in connection with certain aspects the Damage/Loss, which are contrary to established insurance law, so as to deny PLAINTIFFS the coverage to which PLAINTIFFS are entitled.

II. THE DAMAGE/LOSS.

15. The Damage/Loss relates to PLAINTIFFS' interests in the Property, and stems from structural and related loss of use damages that occurred as a result of a tree that collapsed on PLAINTIFFS' single-family home on or about February 26, 2019.

1 **III. THE INSURANCE POLICY.**

2 16. As relevant to this Complaint, STATE FARM issued an insurance policy providing
3 homeowners insurance coverage and bearing policy no. 57-CS-C482-0 (the "Policy"), effective
4 from July 4, 2018 to July 4, 2019, to cover damages to PLAINTIFFS' dwelling (the Property) and
5 personal property, as well as associated loss of use. A true and correct copy of the Policy (with
6 premium information redacted and with alternative versions of the declarations page) is attached
7 hereto as Exhibit A.

8 17. PLAINTIFFS are insured under the Policy.

9 18. The Policy includes, among other things, three separate coverages in "SECTION 1
10 – YOUR PROPERTY."

11 19. One property coverage part of the Policy is entitled "**COVERAGE A –**
12 **DWELLING**," which provides in part:

13 1. **Dwelling.** We cover the dwelling used principally as a private residence on
14 the **residence premises** shown in the **Declarations**.

15 Dwelling includes:

- 16 a. structures attached to the dwelling;
- 17 b. materials and supplies located on or adjacent to the **residence**
18 **premises** for use in the construction, alteration or repair of the
19 dwelling or other structures on the **residence premises**;
- 20 c. foundation, floor slab and footing supporting the dwelling; and
- 21 d. wall-to-wall carpeting attached to the dwelling.

22 2. **Dwelling Extension.** We cover other structures on the **residence premises**,
23 separated from the dwelling by clear space. Structures connected to the
24 dwelling by only a fence, utility line, or other similar connection are
25 considered be other structures. . . .

26 (See Policy, Form Nos. FP-7955 CA, SECTION I – COVERAGES, COVERAGE A –
27 DWELLING.)

28 20. Another property coverage part of the Policy is entitled "**COVERAGE C – LOSS**
OF USE," which provides in part:

1. **Additional Living Expense.** When a Loss Insured causes the **residence**
premises to become uninhabitable, we will cover the necessary increase in
cost you incur to maintain your standard of living for up to 24 months. Our

1 payment is limited to incurred costs for the shortest of: (a) the time required
 2 to repair or replace the premises; (b) the time required for your household to
 3 settle elsewhere; or (c) 24 months. This coverage is not reduced by the
 expiration of this policy.

4 (*Id.*, COVERAGE C – LOSS OF USE.)

5 21. The Policy also contains property coverage extensions under "SECTION I –
 6 ADDITIONAL COVERAGES," that provide in part:

- 7 1. **Debris Removal.** We will pay the reasonable expenses you incur in the
 removal of debris of covered property damaged by a Loss insured. . . .
- 8 2. **Temporary Repairs.** If damage is caused by a Loss Insured, we will pay
 9 the reasonable and necessary cost you incur for temporary repairs to
 10 covered property to protect the property from further immediate damage or
 loss. . . .

11 (*Id.*, Form Nos. FP-7955 CA and FE-3422, SECTION I – ADDITIONAL COVERAGES, Nos. 1-
 12 2.)

13 22. The Policy also contains a losses-insured provision under "SECTION I – LOSSES
 14 INSURED," which provides:

15 **COVERAGE A – DWELLING**

16 We insure for accidental direct physical loss to the property described in Coverage
 17 A., except as provided in **SECTION I – LOSSES NOT INSURED.**

18 (*Id.*, SECTION I – LOSSES INSURED, COVERAGE A – DWELLING.)

19 23. The Policy also includes an increased-dwelling limit and an increased-dwelling-
 20 limit provision that provides in part as follows:

21 **Option ID – Increased Dwelling Limit.** We will settle losses to damaged
 22 building structures covered under **COVERAGE A – DWELLING**
 according to the **SECTION I – LOSS SETTLEMENT** provision shown in
 the **Declarations**.

23 If the reasonable and necessary cost to repair or replace damaged building
 24 structures exceeds the applicable limit of liability shown in the
 25 **Declarations**, we will pay the additional amounts not to exceed:

- 26 1. The Option ID limit of liability shown in the **Declarations** to repair
 or replace the Dwelling; . . .

27 (*Id.*, Declarations Page and Form No. FE-3422.)

28 24. The Policy also includes an option-building-ordinance-law limit and an option-

1 building-ordinance law provision that provides in part:

2 **Optional OL – Building Ordinance or Law.**

3 **1. Coverage Provided.**

4 The total limit of insurance provided by this Building Ordinance or Law
5 provision will not exceed an amount equal to the Option OL percentage
6 shown in the **Declarations** of the Coverage A limit shown in the
7 **Declarations** at the time of the loss, as adjusted by the inflation coverage
8 provisions of the policy. This is an additional amount of insurance and
9 applies only to the dwelling.

10 **2. Damaged Portions of Dwelling.**

11 When the dwelling covered under **COVERAGE A – DWELLING** is damaged by
12 a Loss Insured we will pay for the increased cost to repair or rebuild the physically
13 damaged portion of the dwelling caused by the enforcement of a building, zoning
14 or land use ordinance or law if the enforcement is directly caused by the same Loss
15 Insured and the requirement is in effect at the time the Loss Insured occurs. . . .

16 (*Ibid.*) That provision also provides ordinance-law coverage in connection with undamaged
17 portions of the damaged dwelling. (*Ibid.*)

18 **IV. STATE FARM'S WRONGFUL CLAIMS-HANDLING.**

19 25. After tendering notice of and claims for insurance coverage for the Damage/Loss to
20 STATE FARM, PLAINTIFFS provided STATE FARM with additional information about the
21 Damage/Loss.

22 26. But despite agreeing to pay for some portions of the Damage/Loss, STATE FARM
23 has failed and/or refused to acknowledge coverage for other portions of the Damage/Loss or make
24 sufficient payments related to the Damage/Loss.

25 27. By improperly delaying and failing and/or refusing to properly pay in connection
26 with the Damage/Loss, STATE FARM has caused PLAINTIFFS to be unreasonably exposed to
27 expenses and liability in connection with the Damage/Loss.

28 28. Additionally, STATE FARM has deceived PLAINTIFFS, caused PLAINTIFFS to
suffer resultant economic injury, and otherwise breached its obligations to PLAINTIFFS by,
among other things, knowingly: misrepresenting to PLAINTIFFS pertinent facts or insurance
policy provisions relating to coverages at issue; failing to acknowledge and act reasonably
promptly upon communications with respect to claims arising under the Policy; failing to adopt

1 and implement reasonable standards for the prompt investigation and processing of claims arising
 2 under the Policy and other insurance policies; misleading PLAINTIFFS as to the applicable statute
 3 of limitations and/or contractual limitation period; delaying the investigation or payment of claims
 4 by requiring PLAINTIFFS to submit substantially the same information more than once; and
 5 failing to provide promptly a reasonable explanation of the basis relied on in the Policy, in relation
 6 to the facts or applicable law, for STATE FARM's failure or refusal to properly pay in connection
 7 with the Damage/Loss.

8 29. STATE FARM's improper claims-handling is in material breach of the Policy and
 9 the implied covenant of good faith and fair dealing.

10 **FIRST CAUSE OF ACTION**

11 **DECLARATORY RELIEF – DUTY TO PAY FOR COVERED DAMAGE/LOSS**
 12 **(AGAINST ALL DEFENDANTS)**

13 30. PLAINTIFFS reallege and incorporate by reference each and every allegation set
 14 forth above in this Complaint.

15 31. A dispute and actual, justiciable controversy has arisen and now exists between
 16 PLAINTIFFS and STATE FARM concerning their respective rights, obligations, duties, and
 17 liabilities under the Policy in connection with the Damage/Loss. PLAINTIFFS assert, and state on
 18 information and belief that STATE FARM disputes, among other things, that under the Policy,
 19 STATE FARM is obligated to pay additional amounts for the covered Damage/Loss.

20 32. PLAINTIFFS desire a judicial determination and declaration of the parties'
 21 respective rights, obligation, duties, and liabilities under the Policy in connection with the
 22 Damage/Loss.

23 33. Declaratory relief is appropriate and necessary at this time so that the parties may
 24 ascertain their respective rights, obligations, duties, and liabilities under the Policy in connection
 25 with the Damage/Loss.

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SECOND CAUSE OF ACTION

BREACH OF CONTRACT

(AGAINST ALL DEFENDANTS)

34. PLAINTIFFS reallege and incorporate by reference each and every allegation set forth above in this Complaint.

35. The Policy is a valid and enforceable written contract, which affords PLAINTIFFS insurance coverage for the Damage/Loss.

36. PLAINTIFFS have made written demands that STATE FARM acknowledge and comply with its obligations to provide coverage under the Policy in connection with the Damage/Loss, and that STATE FARM pay additional amounts for covered Damage/Loss.

37. PLAINTIFFS have satisfied all terms and conditions of the Policy that apply to it, except to the extent STATE FARM has prevented PLAINTIFFS from performing under the Policy and/or PLAINTIFFS were excused from performing under the Policy.

38. STATE FARM has breached the Policy by, among other things, wrongfully:

- a. Delaying and failing or refusing to timely investigate the Damage/Loss and complete its coverage analyses;
- b. Delaying and failing or refusing to fully comply with its payment obligations;
- c. Denying PLAINTIFFS the rights to benefits to which PLAINTIFFS are entitled; and
- d. Taking coverage positions contrary to controlling law.

39. By breaching the Policy, STATE FARM waived its rights under the Policy.

40. As a direct and proximate result of STATE FARM's breaches, PLAINTIFFS have been damaged in an amount to be proven at trial.

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THIRD CAUSE OF ACTION

**BREACH OF THE IMPLIED COVENANT OF GOOD FAITH
AND FAIR DEALING (AGAINST ALL DEFENDANTS)**

41. PLAINTIFFS reallege and incorporate by reference each and every allegation set forth above in this Complaint.

42. The Policy contains an implied covenant of good faith and fair dealing under which STATE FARM agreed not to take any action that would deprive PLAINTIFFS of PLAINTIFFS' rights and benefits under the Policy.

43. STATE FARM has breached this implied covenant of good faith and fair dealing by engaging in a course of conduct intentionally designed to deprive PLAINTIFFS of PLAINTIFFS' rights and benefits under the Policy.

44. STATE FARM breached the implied covenant of good faith and fair dealing by, among other things, wrongfully delaying and failing and/or refusing to timely investigate the Damage/Loss, delaying and failing and/or refusing to comply with its payment obligations, and asserting unreasonable interpretations of the Policy with the intention of depriving PLAINTIFFS of rights and benefits due to PLAINTIFFS.

45. STATE FARM's breaches of the implied covenant of good faith and fair dealing include, but are not limited to intentionally, wrongfully, and maliciously:

- a. Delaying and failing or refusing to timely and properly investigate the Damage/Loss and complete its coverage analysis;
- b. Delaying and failing or refusing to fully comply with its payment obligations;
- c. Knowingly misrepresenting to PLAINTIFFS pertinent facts or insurance policy provisions relating to coverages at issue;
- d. Knowingly failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under the Policy;
- e. Knowingly misleading PLAINTIFFS as to the applicable statute of

1 limitations and/or contractual limitation period;

- 2 f. Knowingly failing to adopt and implement reasonable standards for the
3 prompt investigation and processing of claims arising under the Policy and
4 other insurance policies;
- 5 g. Knowingly delaying the investigation or payment of claims by requiring
6 PLAINTIFFS to submit substantially the same information more than once;
- 7 h. Knowingly failing to provide promptly a reasonable explanation of the basis
8 relied on in the Policy, in relation to the facts or applicable law, for its
9 failure to pay additional amounts in connection with the Damage/Loss;
- 10 i. Basing its claims-handling decisions on the desire to reduce or avoid its
11 obligations to PLAINTIFFS;
- 12 j. Preferring its own interests over the interests of PLAINTIFFS;
- 13 k. Denying PLAINTIFFS the rights to benefits to which PLAINTIFFS is
14 entitled, with the intention of coercing PLAINTIFFS to forgo these rights
15 and benefits; and
- 16 l. Taking coverage positions contrary to controlling law.

17 46. By breaching the implied covenant of good faith and fair dealing, STATE FARM
18 waived its rights under such Policy.

19 47. As a direct and proximate result of STATE FARM's breaches of the implied
20 covenant of good faith and fair dealing, STATE FARM has been damaged in an amount to be
21 proven at trial.

22 48. As a direct and proximate result of STATE FARM's breaches of the implied
23 covenant of good faith and fair dealing, PLAINTIFFS are entitled to recover their attorneys' fees
24 and costs incurred in establishing its rights to obtain benefits under the Policy.

25 49. Further, STATE FARM's conduct, as alleged above, was done with an intentional
26 and conscious disregard of PLAINTIFFS rights and with oppression, fraud, and/or malice as
27 defined under California Civil Code § 3294, entitling PLAINTIFFS to an award of punitive and
28 exemplary damages assessed against STATE FARM, in sums according to proof, as a means of

1 deterring it from committing similar acts and omissions in the future and punishing it for its
2 wrongful conduct.

3 **PRAYER FOR RELIEF**

4 WHEREFORE, PLAINTIFFS pray for relief as follows:

5 1. As to the first cause of action, a declaration that under the Policy, STATE FARM is
6 obligated to pay additional amounts for covered Damage/Loss.

7 2. As to the second cause of action, general, consequential, and compensatory
8 damages according to proof;

9 3. As to the third cause of action, attorneys' fees, costs, and consequential damages
10 according to proof;

11 5. Pre-judgment interest according to proof;

12 6. Costs of suit and attorneys' fees according to proof;

13 7. Punitive and exemplary damages according to proof; and

14 8. Such other and further relief as the Court may deem just and proper.

15 Respectfully submitted,

16 DATED: July 29, 2021

HANSON BRIDGETT LLP

17
18 By: 

HANSON BRIDGETT LLP

19 MILES C. HOLDEN

20 KAMRAN KHAKBAZ

Attorneys for Plaintiffs LAURA YAMAGUCHI
and ADOLFO CASTELLON

DEMAND FOR JURY TRIAL

PLAINTIFFS LAURA YAMAGUCHI and ADOLFO CASTELLON hereby demand a jury trial in this action.

DATED: July 29, 2021

Respectfully submitted,

HANSON BRIDGETT LLP

By: 

MILES C. HOLDEN
KAMRAN KHAKBAZ
Attorneys for PLAINTIFFS
LAURA YAMAGUCHI and ADOLFO
CASTELLON

EXHIBIT A

DECLARATIONS

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

Coverage afforded by this policy is provided by:

State Farm General Insurance Company
900 Old River Road
Bakersfield, CA 93311-9501

A Stock Company with Home Offices in Bloomington, Illinois.

57-CS-C482-0	Policy Number	
Named Insured and Mailing Address Castellon, Adolfo G Jr & Yamaguchi, Laura M 1250 Nicasio Valley Rd Nicasio, CA 94946-9725		
The Policy Period begins and ends at 12:01 a.m. Standard Time at the residence premises. 07/04/2018 Effective Date 07/04/2019 12 months - Policy Period Expiration of Policy Period		Automatic Renewal - If the Policy Period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.
Limit of Liability - Section 1 \$1,448,200 Dwelling \$1,086,150 Personal Property (Minimum 75% of Dwelling) Limit of Liability - Section 2 \$1,000,000 Personal Liability \$5,000 Medical Payments to Others Policy Type Homeowners A1 - Replacement Cost - Similar Construction Increased Dwelling Up to \$289,640 - Option ID		Deductibles - Section 1 \$3,000 ALL LOSSES In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of the loss.
Location of Premises 1250 Nicasio Valley Rd Nicasio, CA 94946-9725		Policy Premium \$ 2084
Forms, Options, & Endorsements FP-7955.CA Homeowners Policy Homeowners Policy Endorsement Back-Up Dwell/Listed Property		Ordinance/Law 50% \$724,100 Amendatory Endorsement Form 438bfu Ns Lndr Loss Pay
Mortgagee & Addl. Interests Mortgagee CENTRAL LOAN ADMIN & REPORTING ISAOA ATIMA PO Box 202028 Florence, SC 29502-2028 Loan Number: 0084692169		Agent Name & Address Rick Wernick 1683 Novato Blvd Ste 6 Novato, CA 94947-3284 (415) 892-9261

DECLARATIONS

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

Coverage afforded by this policy is provided by:

STATE FARM GENERAL INSURANCE COMPANY
900 OLD RIVER ROAD
BAKERSFIELD CA 93311-9501

57-CS-C482-0 **Policy Number**

A Stock Company with Home Offices in Bloomington, Illinois.

Named Insured and Mailing Address

CASTELLON, ADOLFO G JR &
YAMAGUCHI, LAURA M
1250 NICASIO VALLEY RD
NICASIO, CA 94946-9725

The Policy Period begins and ends at 12:01 a.m. Standard Time at the residence premises.

07/04/2018 **Effective Date**
12months-Policy Period
07/04/2019 **Expiration of Policy Period**

Limit of Liability - Section 1
\$ 1,448,200 Dwelling (Coverage A)

Automatic Renewal - If the Policy Period is shown as **12 months**, this policy will be renewed automatically subject to the premiums, rules and forms in effect each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Policy Type
Homeowners Policy
Dwell Repl Cost - Similar Construction
Increase Dwlg Up to \$289,640 - Option ID

Deductibles - Section 1 \$3000
ALL LOSSES In case of loss under this policy, the deductible will be applied per occurrence and will be deducted from the amount of the loss. Other deductibles may apply - refer to your policy.

Location of Premises
1250 NICASIO VALLEY RD
NICASIO, CA 94946-9725

Policy Premium \$2,084.00

Forms, Options, & Endorsements

FP-7955.CA HOMEOWNERS POL
LSP B1 LMT RPLC COST-B
OPT OL BLD ORD/LAW-50%
FE-3247 AMENDATORY END
FE-3560 LIMITED BACKUP

LSP A1 SMLR CONST-A
OPT ID COV A-INCR DWLG
FE-3422 HO-W POL END
FE-7468.4 PERSONL INJURY
FE-1313 LNDR LOSS PAY

Mortgagee
CENTRAL LOAN ADMIN & REPORTING
ISAOA ATIMA
PO BOX 202028
FLORENCE, SC 29502-2028

Agent Name & Address
RICK WERNICK, CPCU
LIC# 0699800
1683 NOVATO BLVD, STE #6
NOVATO, CA 94947
PHONE (415) 892-9261
FAX (415) 892-8565
(415)892-9261

Loan Number: 0084692169

Prepared: March 08, 2019

2769

Agent's Code

559-916.5

MORTGAGEE COPY

**PREMIUM NOTICE
STATE FARM INSURANCE COMPANIES
AGENT ISSUED DECLARATIONS**

POLICY NUMBER	BILLING PERIOD	AGENT CODE
57-CS-C482-0	FROM 07/04/2018 TO 07/04/2019	2769

LOCATION

1250 NICASIO VALLEY RD
NICASIO, CA 94946-9725

INSURED

CASTELLON, ADOLFO G JR &
YAMAGUCHI, LAURA M
1250 NICASIO VALLEY RD
NICASIO, CA 94946-9725

PREMIUM \$ 2,084.00

AMOUNT PAID \$ 2,084.00

AMOUNT DUE \$.00

DATE DUE**MORTGAGEE**

CENTRAL LOAN ADMIN & REPORTING
ISAOA ATIMA
PO BOX 202028
FLORENCE, SC 29502-2028
Loan Number: 0084692169

AGENT NAME & ADDRESS

RICK WERNICK, CPCU
LIC# 0699800
1683 NOVATO BLVD, STE #6
NOVATO, CA 94947
PHONE (415) 892-9261
FAX (415) 892-8565
(415) 892-9261

STATE FARM INSURANCE COMPANIES

900 OLD RIVER ROAD
BAKERSFIELD CA 93311-9501



A Stock Company With Home Offices in Bloomington, Illinois

900 Old River Rd.
Bakersfield, CA 93311-9501**Named Insured**

AT3 001051.0046 H-02-2769-FB14 H F

CASTELLON, ADOLFO G JR &
YAMAGUCHI, LAURA M
1250 NICASIO VALLEY RD
NICASIO CA 94946-9725ST-3
0100-4000**DECLARATIONS PAGE**COVERAGE SUMMARY
MAR 20 2019**Policy Number 57-CS-C482-0**

Policy Period	Effective Date	Expiration Date
12 Months	JUL 4 2018	JUL 4 2019

The policy period begins and ends at 12:01 am standard time at the residence premises.

Loan # 0084692169
MortgageeCENTRAL LOAN ADMIN & REPORTING
ISAQA ATIMA
PO BOX 202028
FLORENCE SC 29502-2028**HOMEOWNERS POLICY**

Automatic Renewal - If the policy period is shown as 12 months, this policy will be renewed automatically subject to the premiums, rules and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

Location of Residence Premises
Same as Insured's Address

This policy does not provide coverage for loss by earthquake
This policy includes Building Code Upgrade Coverage of \$ 724,100

Coverages & Property**Limits of Liability****Inflation Coverage Index: 310.0****SECTION I**

A. Dwelling	\$ 1,448,200
Dwelling Extension up to	\$ 144,820
B. Personal Property	\$ 1,086,150
C. Loss of Use	Actual Loss Sustained

Deductibles - Section I

All Losses \$ 3,000

SECTION II

L. Personal Liability (Each Occurrence)	\$ 1,000,000
Damage to Property of Others	\$ 500
M. Medical Payments to Others (Each Person)	\$ 5,000

In case of loss under this policy, the deductibles will be applied per occurrence and will be deducted from the amount of the loss. Other deductibles may apply - refer to policy.

Loss Settlement Provision (See Policy)A1 Replacement Cost - Similar Construction
B1 Limited Replacement Cost - Coverage B**Policy Premium** \$ 2,084.00Discounts Applied:
Home/Auto
Claim Record**Forms, Options, & Endorsements**

Homeowners Policy	FP-7955.CA
Homeowners Policy Endorsement	FE-3422
Personal Injury	FE-7468.4
Form 438bfu NS Lndr Loss Pay	FE-1313
Back-Up Dwell/ Listed Property	FE-3560
Amendatory Endorsement	FE-3247
Jewelry and Furs \$1,500 Each	Option JF
Article/\$2,500 Aggregate	
Increase Dwlg Up to \$ 289,640	Option ID

Other limits and exclusions may apply - refer to your policy

Your policy consists of this page, any endorsements and the policy form. Please keep these together.

FP-7018C

Continued on Reverse**RICK WERNICK CPCU**
415-892-9261

3215 251 I

MAR 20 2019

CONTINUED FROM FRONT SIDE

Forms, Options, & Endorsements

Ordinance/Law 50%/\$ 724,100

Option 0L

The limit of liability for this structure (Coverage A) is based on an estimate of the cost to rebuild your home, including an approximate cost for labor and materials in your area, and specific information that you have provided about your home.

IMPORTANT NOTICE:

California law requires us to provide you with information for filing complaints with the State Insurance Department regarding the coverage and service provided under this policy.

Your agent's name and contact information are provided on the front of this document. Another option is to reach out by mail or phone directly to:

State Farm[®] Executive Customer Service
PO Box 2320
Bloomington IL 61702
Phone # 1-800-STATEFARM (1-800-762-8332)

Department of Insurance complaints should be filed only after you and State Farm or your agent or other company representative have failed to reach a satisfactory agreement on a problem.

California Department of Insurance
Consumer Services Division
300 South Spring Street
Los Angeles, CA 90013
Phone # 1-800-927-HELP (4357) or visit www.insurance.ca.gov/01-consumers

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Rev 09-2005

**FE-3422 HOMEOWNERS POLICY ENDORSEMENT (California)**

When used in the provisions of this policy or any endorsement attached to this policy, the word "spouse" is replaced with "spouse or registered domestic partner under California law".

DEFINITIONS

Definitions 6. and 7. are replaced by the following:

6. "motor vehicle", when used in Section II of this policy, means:
 - a. a land motor vehicle designed for travel on public roads or subject to motor vehicle registration;
 - b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration;
 - c. a "recreational vehicle" while off an insured location. "Recreational vehicle" means a motorized vehicle designed for recreation principally off public roads that is owned or leased by an insured. This includes, but is not limited to, a motorized all terrain vehicle, amphibious vehicle, dune buggy, go-cart, golf cart, snowmobile, trailbike, minibike and personal assistive mobility device. "Leased" does not include temporary rental;
 - d. a "locomotive" while off an insured location. "Locomotive" means a self-propelled vehicle for pulling or pushing freight or passenger cars on tracks that is large enough to carry a person and is owned or leased by an insured. "Leased" does not include temporary rental;
 - e. a bulldozer, track loader, backhoe, high-hoe, trencher, grader, crane, self-propelled scraper, excavator, pipe-layer, cherry picker, telehandler, logging vehicle, mining vehicle or road building vehicle that is owned or leased by an insured while off an insured location. "Leased" does not include temporary rental; and
 - f. any vehicle while being towed or pushed by or carried on a vehicle included in a., b., c., d. or e.

The following are not motor vehicles:

- a. a boat, camp, home or utility trailer not being towed or pushed by or carried on a vehicle included in a., b., c., d. or e. above;
- b. a motorized land vehicle in dead storage on an insured location;
- c. a motorized golf cart while used for golfing purposes;

- d. a motorized vehicle or trailer designed to assist the handicapped that is not designed for travel on public roads or subject to motor vehicle registration; or
- e. a commercially manufactured 2, 3 or 4 wheeled personal conveyance powered only by or assisted by an unmodified motor or engine with a manufacturer's power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour.

7. "occurrence", when used in Section II of this policy, means an accident, including exposure to conditions, which first results in:
 - a. bodily injury; or
 - b. property damage;

during the policy period. All bodily injury and property damage resulting from one accident, series of related accidents or from continuous and repeated exposure to the same general conditions is considered to be one occurrence.

Definitions 11. and 12. are added:

11. "fungus" means any type or form of fungi, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.
12. "State Farm Companies" means one or more of the following:
 - a. State Farm Mutual Automobile Insurance Company;
 - b. State Farm Fire and Casualty Company; and
 - c. subsidiaries or affiliates of either a. or b. above.

SECTION I - COVERAGES**COVERAGE A - DWELLING**

Item 2., Dwelling Extension, is replaced by the following:

2. Dwelling Extension. We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

- a. not permanently attached to or otherwise forming a part of the realty;
- b. used in whole or in part for business purposes unless such use consists solely of use of office space for paperwork, computer work or use of a telephone, and consists solely of activities that are:

- (1) duties of the insured's employment by another; and
- (2) performed solely by the insured; or
- c. rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

The following item is added to item 3. **Property Not Covered:**

- d. lawns or artificial grass, except as provided in **SECTION I - ADDITIONAL COVERAGES.**

COVERAGE B - PERSONAL PROPERTY

Special Limits of Liability is replaced by the following:

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

- a. \$200 on money, coins and medals, including any of these that are a part of a collection, and bank notes;
- b. \$1,500 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to \$750 on such property away from the residence premises.
Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage;
- c. \$1,000 on securities, checks, cashiers checks, travelers checks, money orders, gift certificates, gift cards, rechargeable debit cards, phone cards and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;
- d. \$1,500 on watercraft of all types and outboard motors, including their trailers, furnishings and equipment;
- e. \$1,500 on trailers not used with watercraft;
- f. \$2,500 on stamps, trading cards and comic books, including any of these that are a part of a collection;
- g. \$2,500 for loss by theft of firearms;
- h. \$2,500 for loss by theft of silverware and goldware;
- i. \$5,000 on electronic data processing system equipment, including but not limited to mobile personal communication equipment, global positioning systems, mobile personal electronic devices used for the reproduction of sound, and standard media or non-media equipment for use with the above devices;
- j. \$5,000 on any one article and \$10,000 in the aggregate for loss by theft of any rug, carpet (except

wall-to-wall carpet), tapestry, wall-hanging or other similar article; and

- k. \$500 on commercially manufactured 2, 3 or 4 wheeled personal conveyances powered only by or assisted by an unmodified motor or engine with a manufacturer's power rating of no more than 1 horsepower and capable of a top speed of no more than 20 miles per hour. This does not include those not licensed for use on public highways which are designed for assisting the handicapped.

Item 2., **Property Not Covered**, is replaced by the following:

2. Property Not Covered. We do not cover:

- a. articles separately described and specifically insured in this or any other insurance;
- b. animals, birds or fish;
- c. any engine or motor-propelled vehicle or machine, including the parts, designed for movement on land, except as provided in **Special Limits of Liability, item k.** We do cover those not licensed for use on public highways which are:
 - (1) used solely to service the insured location; or
 - (2) designed for assisting the handicapped;
- d. devices or instruments for the recording or reproduction of video or sound permanently attached to an engine or motor-propelled vehicle. We do not cover tapes, discs, wires, videos or other media that may be used with these devices or instruments while in the vehicle;
- e. aircraft and parts;
- f. property of roomers, boarders, tenants and other residents not related to an insured. We do cover property of roomers, boarders and other residents related to an insured;
- g. property regularly rented or held for rental to others by an insured. This exclusion does not apply to property of an insured in a sleeping room rented to others by an insured;
- h. property rented or held for rental to others away from the residence premises;
- i. any radio devices or transmitters, global positioning systems, radar or laser detectors, antennas and all other similar equipment permanently attached to an engine or motor-propelled vehicle;
- j. books or records of accounts receivable, abstracts or other journals, architectural or technical drawings, card index systems or other records. This exclusion does not apply to any

State Farm 57-CS-C482-0 (3217) 001051

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recording or storage media for electronic data processing. We will cover the cost of blank books, cards or other blank material plus the cost of labor you incur for transcribing or copying such records;

- k. recording or storage media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market;
- l. purchased or created data, sound or video that cannot be replaced with like kind and quality on the current retail market which is transferred or downloaded onto mobile communication equipment, global positioning systems or electronic devices used for the reproduction of video or sound;
- m. contraband, or any property used in the course of illegal consumption, possession, import, export or trade; or
- n. outdoor hardscape property used for aesthetic purposes except as provided in SECTION I – ADDITIONAL COVERAGES.

COVERAGE C – LOSS OF USE

Item 3., Prohibited Use, is replaced by the following:

- 3. **Prohibited Use.** We cover Additional Living Expense and Fair Rental Value, for a continuous period not to exceed two weeks, beginning when a civil authority issues an order of evacuation or prohibits your use of the residence premises, provided that:
 - a. direct physical damage occurs to any property, other than covered property located on the residence premises, arising from a cause of loss that would be a Loss Insured under this policy if the damage had occurred to property on the residence premises;
 - b. the residence premises is within one mile of property damaged by a cause of loss identified in 3.a. above; and
 - c. the action of the civil authority is taken in response to:
 - (1) dangerous physical conditions resulting from the continuation of the cause of loss identified in 3.a. above;
 - (2) dangerous physical conditions resulting from the damage caused by the cause of loss identified in 3.a. above; or
 - (3) the need to gain free access to property damaged by the cause of loss identified in 3.a. above.

We do not cover loss or expense due to cancellation of a lease or agreement.

The following new section is added under SECTION I – COVERAGES:

SECTION I – PROPERTY SUBJECT TO LIMITATIONS

- 1. We will not pay more than a total of \$5,000 for all loss by fungus to:
 - a. **COVERAGE B – PERSONAL PROPERTY** caused by or directly resulting from a peril described in SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY; and
 - b. **COVERAGE A – DWELLING** property caused by or directly resulting from a peril described in SECTION I – LOSSES INSURED, COVERAGE B – PERSONAL PROPERTY or a loss not otherwise excluded under SECTION I – LOSSES NOT INSURED.

Regardless of the number of structures or other property items insured, this single \$5,000 limit of insurance is the most we will pay for loss in any one occurrence for all Section I coverages and OPTIONAL POLICY PROVISIONS combined.

- 2. This limitation applies to loss to all insured property, including all costs or expenses for:
 - a. any loss of use or delay in rebuilding, repairing or replacing covered property, including any associated cost or expense, due to interference at the described premises or location of the rebuilding, repair or replacement of that property, by fungus;
 - b. any remediation of fungus, including the cost or expense to:
 - (1) remove or clean the fungus from covered property, or to repair, restore or replace that property;
 - (2) tear out and replace any part of the building or other property as needed to gain access to the fungus;
 - (3) contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus; or
 - (4) remove any property to protect it from the presence of or exposure to fungus;
 - c. the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

SECTION I – ADDITIONAL COVERAGES

Items 1., 3. and 11. are replaced by the following:

1. **Debris Removal.** We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a Loss Insured. This expense is included in the limit applying to the damaged property. The following coverages and limits also apply:

- a. When the amount payable for the property damage plus the debris removal exceeds the limit for damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to Additional Coverage, item 3. Trees, Shrubs and Landscaping.
- b. We will also pay up to \$500 in the aggregate for each loss to cover the reasonable expenses you incur in the removal of tree debris from the residence premises, unless otherwise excluded. This coverage applies when:
 - (1) the tree has caused a Loss Insured to Coverage A property; or
 - (2) the tree debris felled by windstorm, hail, or weight of snow or ice blocks:
 - (a) the driveway, on the residence premises, and prevents land motor vehicle access to or from the dwelling; or
 - (b) a ramp designed to assist the handicapped, on the residence premises and prevents access to or from the dwelling.

3. **Trees, Shrubs and Landscaping.** We cover outdoor:

- a. trees, shrubs, live or artificial plants, and lawns;
- b. artificial grass; and
- c. hardscape property used for aesthetic purposes not permanently affixed to realty;

on the residence premises, for direct loss caused by the following: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles (not owned or operated by a resident of the residence premises), Vandalism or malicious mischief or Theft.

The limit for this coverage, including the removal of debris, shall not exceed 5% of the amount shown in the Declarations for COVERAGE A - DWELLING. We will not pay more than \$750 for any one outdoor tree, shrub, plant or hardscape item, including debris removal expense. This coverage may increase the limit otherwise applicable. We do not cover property grown for business purposes.

11. **Collapse.** We insure only for direct physical loss to covered property involving the sudden, entire collapse of a building or any part of a building.

Collapse means actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.

The collapse must be directly and immediately caused only by one or more of the following:

- a. perils described in SECTION I - LOSSES INSURED, COVERAGE B - PERSONAL PROPERTY. These perils apply to covered building and personal property for loss insured by this Additional Coverage;
- b. decay, deterioration, insect damage or vermin damage, all that are hidden from view, of a:
 - (1) connector; or
 - (2) structural member of a building;
 unless the presence of such damage is known to an insured prior to collapse;
- c. weight of contents, equipment, animals or people;
- d. weight of ice, snow, sleet or rain which collects on a roof, porch or deck; or
- e. use of defective material or methods in the construction (includes remodeling or renovation) of the building, if the collapse occurs during the course of the construction of the building.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf, dock, trellis or antenna or its supporting structure is not included under items b., c., d. and e. unless the loss is the direct and immediate cause of the collapse of the building.

This coverage does not increase the limit applying to the damaged property.

SECTION I - LOSSES INSURED

COVERAGE B - PERSONAL PROPERTY

Item 9.b.(3)(c), is replaced by the following:

9. b. (3) (c) of securities, checks, cashiers checks, travelers checks, money orders, gift certificates, gift cards, rechargeable debit cards, phone cards and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;

Item 12.d. is deleted.

Item 15. is replaced by the following:

15. **Sudden and accidental damage to electrical appliances, devices, fixtures and wiring from an**

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increase or decrease of artificially generated electrical current. We will pay up to \$1,500 under this peril for each damaged item described above.

SECTION I – LOSSES NOT INSURED

Item 2.f. is deleted.

Item 2.i. is replaced by the following:

2. i. wet or dry rot;

Item 4.c. is replaced by the following:

4. c. **Water**, meaning:

- (1) flood, surface water, waves (including tidal wave, tsunami, and seiche), tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not;
- (2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area;
- (3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;
- (4) material carried or otherwise moved by any of the water, as described in paragraphs (1) through (3) above; or
- (5) continuous or repeated seepage or leakage of water or steam from a:
 - (a) heating, air conditioning or automatic fire protective sprinkler system;
 - (b) household appliance; or
 - (c) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors.

However, we do insure for any direct loss by fire, explosion or theft resulting from water, provided the resulting loss is itself a Loss Insured.

The following is added to item 4.:

- f. **Fungus**, including:

- (1) any loss of use or delay in rebuilding, repairing or replacing covered property, including any

associated cost or expense, due to interference at the described premises or location of the rebuilding, repair or replacement of that property, by fungus;

- (2) any remediation of fungus, including the cost or expense to:
 - (a) remove or clean the fungus from covered property or to repair, restore or replace that property;
 - (b) tear out and replace any part of the building or other property as needed to gain access to the fungus;
 - (c) contain, treat, detoxify, neutralize or dispose of or in any way respond to or assess the effects of the fungus; or
 - (d) remove any property to protect it from presence of or exposure to fungus;
- (3) the cost of any testing or monitoring of air or property to confirm the type, absence, presence or level of fungus, whether performed prior to, during or after removal, repair, restoration or replacement of covered property.

However, we will pay for loss as specified under **SECTION I – PROPERTY SUBJECT TO LIMITATIONS**.

SECTION I – LOSS SETTLEMENT

COVERAGE A – DWELLING

Items 1. and 2. are replaced by the following:

1. **A1 – Replacement Cost Loss Settlement – Similar Construction**

We will pay up to the applicable limit of liability shown in the Declarations, the reasonable and necessary cost to repair or replace with similar construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under **SECTION I – COVERAGES, COVERAGE A – DWELLING**.

We will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, except as provided under **Option OL – Building Ordinance or Law Coverage**.

2. **A2 – Replacement Cost Loss Settlement – Common Construction**

We will pay up to the applicable limit of liability shown in the Declarations, the reasonable and necessary cost to repair or replace with common construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under **SECTION I – COVERAGES, COVERAGE A – DWELLING**, subject to the following:

- a. we will pay only for repair or replacement of the damaged part of the property with common construction techniques and materials commonly used by the building trades in standard new construction. We will not pay the cost to repair or replace obsolete, antique or custom construction with like kind and quality;
- b. we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, except as provided under Option OL - Building Ordinance or Law Coverage.

SECTION I - CONDITIONS

Item 4. is replaced by the following:

4. **Appraisal.** In case you and we shall fail to agree as to the actual cash value or the amount of loss, then, on the written request of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon the umpire, then, on your or our request, the umpire shall be selected by a judge of a court of record in the state in which the property covered is located.

Appraisal proceedings are informal unless you and we mutually agree otherwise. For purposes of this section, "informal" means that no formal discovery shall be conducted, including depositions, interrogatories, requests for admission, or other forms of formal civil discovery, no formal rules of evidence shall be applied, and no court reporter shall be used for the proceedings.

The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with us shall determine the amount of actual cash value and loss.

Each appraiser shall be paid by the party selecting him or her and the expenses of appraisal and umpire shall be paid by the parties equally.

In the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either you or us but shall not be compelled.

SECTION II - LIABILITY COVERAGES**SECTION II - ADDITIONAL COVERAGES**

Items 1.a., 1.c. and 1.d. are replaced by the following:

1. Claim Expenses. We pay:

- a. expenses we incur and costs taxed against an insured in suits we defend. Taxed costs do not include attorney fees;
- c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to \$200 per day for aiding us in the investigation or defense of claims or suits;
- d. interest the insured is legally liable to pay on damages payable under Coverage L above before a judgment, but only the interest on the lesser of:

- (1) that part of the damages we pay; or
- (2) the Coverage L limit; and

SECTION II - EXCLUSIONS

The following is added to item 1.:

- k. any:
 - (1) **bodily injury or property damage** arising out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any fungus at or from any source or location; or
 - (2) loss, cost or expense arising out of any:
 - (a) request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate or dispose of or in any way respond to or assess the effects of fungus; or
 - (b) claim or suit for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of fungus.

SECTION II - CONDITIONS

Item 1., **Limit of Liability**, is replaced by the following:

1. **Limit of Liability.** The Coverage L limit is shown in the Declarations. This is the limit for all damages from each occurrence for the policy period in which the bodily injury or property damage first occurs, regardless of the number of insureds, claims made or persons injured. No additional limits or coverage will be available for the occurrence under any additional policy periods while this policy remains in force.

The Coverage M limit is shown in the Declarations. This is our limit for all medical expense for bodily injury to one person as the result of one accident.

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Page 7 of 9

The following condition is added to item 4., Duties of an Injured Person – Coverage M:

- d. the injured person, or, when appropriate, someone acting on behalf of that person, shall:
- (1) provide us with any required authorizations; and
 - (2) submit to us all information we need to comply with state or federal law.

SECTION I AND SECTION II – CONDITIONS

The following conditions are added:

11. Premium.

- a. Unless as otherwise provided by an alternative payment plan in effect with the State Farm Companies with respect to the premium for this policy, the premium is due and payable in full on or before the first day of the policy period shown in the most recently issued Declarations.
- b. The renewal premium for this policy will be based upon the rates in effect, the coverages carried, the applicable limits, deductibles and other elements that affect the premium applicable at the time of renewal.
- c. The premium for this policy may vary based upon:
 - (1) the purchase of other products or services from the State Farm Companies;
 - (2) the purchase of products or services from an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization; or
 - (3) an agreement, concerning the insurance provided by this policy, that the State Farm Companies has with an organization of which you are a member, employee, subscriber, licensee, or franchisee.
- d. Your purchase of this policy may allow:
 - (1) you to purchase or obtain certain coverages, coverage options, coverage deductibles, coverage limits, or coverage terms on other products from the State Farm Companies, subject to their applicable eligibility rules; or
 - (2) the premium or price for other products or services purchased by you, including non-insurance products or services, to vary.

Such other products or services must be provided by the State Farm Companies or by an organization that has entered into an agreement or contract with the State Farm Companies. The State Farm Companies do not warrant the merchantability, fitness or quality of any product or service offered or provided by that organization.

12. Right to Inspect. We have the right but are not obligated to perform the following:

- a. make inspections and surveys of the insured location at any time;
- b. provide you with reports on conditions we find; or
- c. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged.

We do not:

- a. make safety inspections;
- b. undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public;
- c. warrant that conditions are safe or healthful; or
- d. warrant that conditions comply with laws, regulations, codes or standards.

This condition applies not only to us but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations on our behalf.

13. Joint and Individual Interests. When there are two or more named insureds, each acts for all to cancel or change the policy.

14. Change of Policy Address. We may change the named insured's policy address as shown in the Declarations and in our records to the most recent address provided to us by:

- a. you; or
- b. the United States Postal Service.

OPTIONAL POLICY PROVISIONS

Option BP – Business Property is replaced by the following:

Option BP – Business Property. The COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability; item b., for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The \$1,500 limit is replaced with the amount shown in the Declarations for this option.

Option HC – Home Computer is replaced by the following:

Option HC – Home Computer. The **COVERAGE B – PERSONAL PROPERTY, Special Limits of Liability, Item 1**, is increased to be the amount shown in the Declarations for this option.

Option ID – Increased Dwelling Limit is replaced by the following:

Option ID – Increased Dwelling Limit. We will settle losses to damaged building structures covered under **COVERAGE A – DWELLING** according to the **SECTION I – LOSS SETTLEMENT** provision shown in the Declarations.

If the reasonable and necessary cost to repair or replace damaged building structures exceeds the applicable limit of liability shown in the Declarations, we will pay the additional amounts not to exceed:

1. the Option ID limit of liability shown in the Declarations to repair or replace the Dwelling; or
2. 10% of the Option ID limit of liability to repair or replace building structures covered under **COVERAGE A – DWELLING, Dwelling Extension**.

Report Increased Values. You must notify us within 90 days of the start of any new building structure costing \$5,000 or more; or any additions to or remodeling of building structures which increase their values by \$5,000 or more. You must pay any additional premium due for the increased value. We will not pay more than the applicable limit of liability shown in the Declarations, if you fail to notify us of the increased value within 90 days.

Optional Building Ordinance Law is replaced by the following:

Option OL – Building Ordinance or Law.

1. Coverage Provided.

The total limit of insurance provided by this Building Ordinance or Law provision will not exceed an amount equal to the Option OL percentage shown in the Declarations of the Coverage A limit shown in the Declarations at the time of the loss, as adjusted by the inflation coverage provisions of the policy. This is an additional amount of insurance and applies only to the dwelling.

2. Damaged Portions of Dwelling.

When the dwelling covered under **COVERAGE A – DWELLING** is damaged by a Loss Insured we will pay for the increased cost to repair or rebuild the

physically damaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.

3. Undamaged Portions of Damaged Dwelling.

When the dwelling covered under **COVERAGE A – DWELLING** is damaged by a Loss Insured we will also pay for:

- a. the cost to demolish and clear the site of the undamaged portions of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs; and
- b. loss to the undamaged portion of the dwelling caused by enforcement of any ordinance or law if:
 - (1) the enforcement is directly caused by the same Loss Insured;
 - (2) the enforcement requires the demolition of portions of the same dwelling not damaged by the same Loss Insured;
 - (3) the ordinance or law regulates the construction or repair of the dwelling, or establishes zoning or land use requirements at the described premises; and
 - (4) the ordinance or law is in force at the time of the occurrence of the same Loss Insured; or
- c. legally required changes to the undamaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law, if:
 - (1) the enforcement is directly caused by the same Loss Insured;
 - (2) the requirement is in effect at the time the Loss Insured occurs; and
 - (3) the legally required changes are made to the undamaged portions of specific dwelling features, systems or components that have been physically damaged by the Loss Insured.

We will not pay for legally required changes to specific dwelling features, systems or components that have not been physically damaged by the Loss Insured.

Statefarm 57-CS-C482-0 (3220) 001051

FE-3422
Page 9 of 9**4. Building Ordinance or Law Coverage Limitations.**

We will not pay more under this coverage than:

- a. the reasonable and necessary increased cost to repair or rebuild the dwelling at the same premises, or if relocation is required by ordinance or law, at another premises in the same general vicinity; and
- b. the reasonable and necessary cost to demolish and clear the site of the undamaged

portions of the dwelling caused by enforcement of building, zoning or land use ordinance or law.

We will never pay for more than a dwelling of the same height, floor area and style on the same or similar premises as the dwelling, subject to the limit provided in paragraph 1. Coverage Provided of this option.

All other policy provisions apply.

FE-3422

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FE-7468.4
Page 1 of 1**FE-7468.4 PERSONAL INJURY ENDORSEMENT****DEFINITIONS**

The following is added to "occurrence":

Occurrence also means the commission of an offense, or series of similar offenses, which result in personal injury during the policy period. All personal injury resulting from one offense, series of similar offenses or from continuous and repeated exposure to the same general conditions is considered to be one occurrence.

The following definition is added:

"Personal injury" means injury arising out of one or more of the following offenses:

- a. false arrest, false imprisonment, wrongful eviction, wrongful detention, malicious prosecution; or
- b. libel, slander, defamation of character or invasion of rights of privacy.

COVERAGE L - PERSONAL LIABILITY

The first paragraph is replaced with the following:

If a claim is made or a suit is brought against an insured for damages because of bodily injury, personal injury or property damage to which this coverage applies, caused by an occurrence, we will:

SECTION II - EXCLUSIONS do not apply to personal injury. Personal injury does not apply:

1. to liability assumed by any insured under any contract or agreement;

2. to injury caused by a violation of a penal law or ordinance committed by or with the knowledge or consent of any insured;
3. to injury sustained by any person as a result of an offense directly or indirectly related to the employment of that person by any insured;
4. to injury arising out of the business pursuits of any insured;
5. to civic or public activities performed for pay by any insured;
6. to injury to you or any insured within the meaning of part a. or b. of the definition of insured;
7. when you act with specific intent to cause harm or injury;
8. to any person or property which is the result of your willful and malicious act, no matter at whom the act was directed;
9. to libel, slander or defamation of character if the first injurious publication or utterance of the same or similar material was made by any insured prior to the effective date of this endorsement;
10. to a loss caused by illegal discrimination; or
11. to any of the **OPTIONAL POLICY PROVISIONS** in this policy.

All other policy provisions apply.

FE-7468.4

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FORM 438BFU NS - LENDERS LOSS PAYABLE ENDORSEMENT**S.F. FORM**

1. Loss or damage, if any, under this policy shall be paid to the Payee named on the Declarations of this policy, its successors and assigns, hereinafter referred to as "the Lender," in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefor. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefor exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.

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Page 2 of 2

Form 438BFI NS
(Rev. May 1, 1942)

6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the Declarations.

Approved:

Board of Fire Underwriters of the Pacific,
California Bankers' Association,
Committee on Insurance.

FE-1313

ST-3
0708-4000

FE-3560 BACK-UP OF SEWER OR DRAIN ENDORSEMENT (\$10,000 Limit)

The following is added to **SECTION I – ADDITIONAL COVERAGES**:

Back-up of Sewer or Drain. We cover the dwelling used as a private residence on the residence premises shown in the Declarations and only the following personal property, while located in the dwelling:

- a. clothes washers and dryers;
- b. food freezers and the food in them;
- c. refrigerators;
- d. ranges;
- e. portable dishwashers; and
- f. dehumidifiers;

for direct physical loss caused by the back-up of water or sewage, subject to the following:

- a. The back-up must be directly and immediately caused solely by water or sewage:
 - (1) from outside the residence premises plumbing system that enters through a sewer or drain located inside the interior of the dwelling; or
 - (2) which enters into and overflows from within a sump pump, sump pump well, or any other system located inside the interior of the dwelling designed to remove subsurface water drained from the foundation area.
- b. Coverage does not apply to:
 - (1) losses caused by your negligence;
 - (2) losses that occur or are in progress within the first 5 days of the inception of this endorsement, unless coverage is continued as part of your policy renewal; or
 - (3) any personal property other than a. through f. listed above.
- c. The limit for this coverage shall not exceed \$10,000 in any one occurrence.

The deductible for each loss under this coverage is the amount shown in the Declarations under DEDUCTIBLES – SECTION I or \$1,000, whichever is greater.

For the purpose of this endorsement only, **SECTION I – LOSSES INSURED**, item 12.c. is deleted from the policy.

SECTION I – LOSSES NOT INSURED

Item 4.c. Water is replaced by:

- 4. c. Water, meaning:

(1) flood, surface water, waves (including tidal wave, tsunami, and seiche) tides, tidal water, overflow of any body of water, or spray or surge from any of these, all whether driven by wind or not; except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Back-up of Sewer or Drain**;

(2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; except as specifically provided in **SECTION I – ADDITIONAL COVERAGES, Back-up of Sewer or Drain**;

(3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure;

(4) material carried or otherwise moved by any of the water, as described in paragraphs (1) through (3) above; or

(5) continuous or repeated seepage or leakage of water or steam from a:

- (a) heating, air conditioning or automatic fire protective sprinkler system;
- (b) household appliance; or
- (c) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors.

However, we do insure for any direct loss by fire, explosion or theft resulting from water, provided the resulting loss is itself a Loss Insured.

For the purpose of this endorsement only, **SECTION I – CONDITIONS, Other Insurance** is replaced by:

Other Insurance. This coverage is excess over other valid and collectible insurance.

All other policy provisions apply.

**FE-3247 AMENDATORY ENDORSEMENT****DECLARATIONS CONTINUED**

The following is added:

When you request changes to this policy, or the information or factors used to calculate the premium for this policy changes during the policy period, we may adjust the premium in accordance with the change during the policy period and you must pay any additional premium due within the time we specify.

SECTION I AND SECTION II — CONDITIONS

Item 8. is replaced by the following:

8. Subrogation and Reimbursement.**a. Subrogation.****(1) Applicable to SECTION I — YOUR PROPERTY:**

If any insured to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That insured must do everything necessary to secure our rights and must do nothing after loss to impair them. But an insured may waive in writing before a loss all rights of recovery against any person.

(2) Applicable to SECTION II — YOUR LIABILITY:

If any insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. An insured must do nothing after loss to impair them. At our request, an insured will bring suit or transfer those rights to us and help us enforce them.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

b. Reimbursement.

If we make payment under this policy and any insured to or for whom we make payment recovers or has recovered from another person or organization, then the insured to or for whom we make payment must:

- (1) hold in trust for us the proceeds of any recovery; and
- (2) reimburse us to the extent of our payment.

All other policy provisions apply.

FE-3247

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This policy is one of the broadest forms available today, and provides you with outstanding value for your insurance dollars. However, we want to point out that every policy contains limitations and exclusions. Please read your policy carefully, especially "Losses Not Insured" and all exclusions.

**State Farm®
Homeowners
Policy**

FP-7955 CA

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 Policy Period
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HOMEOWNERS POLICY

DECLARATIONS CONTINUED

We agree to provide the insurance described in this policy:

1. based on your payment of premium for the coverages you chose;
2. based on your compliance with all applicable provisions of this policy; and
3. in reliance on your statements in these Declarations.

You agree, by acceptance of this policy, that:

1. you will pay premiums when due and comply with the provisions of the policy;
2. the statements in these Declarations are your statements and are true;

3. we insure you on the basis your statements are true; and
4. this policy contains all of the agreements between you and us and any of our agents.

Unless otherwise indicated in the application, you state that during the three years preceding the time of your application for this insurance your Loss History and Insurance History are as follows:

1. Loss History: you have not had any losses, insured or not; and
2. Insurance History: you have not had any insurer or agency cancel or refuse to issue or renew similar insurance to you or any household member.

DEFINITIONS

"You" and "your" mean the "named insured" shown in the Declarations. Your spouse is included if a resident of your household. "We", "us" and "our" mean the Company shown in the Declarations.

Certain words and phrases are defined as follows:

1. "bodily injury" means physical injury, sickness, or disease to a person. This includes required care, loss of services and death resulting therefrom.

Bodily injury does not include:

- a. any of the following which are communicable: disease, bacteria, parasite, virus, or other organism, any of which are transmitted by any Insured to any other person;
- b. the exposure to any such disease, bacteria, parasite, virus, or other organism by any Insured to any other person; or
- c. emotional distress, mental anguish, humiliation, mental distress, mental injury, or any similar injury unless it arises out of actual physical injury to some person.

2. "business" means a trade, profession or occupation. This includes farming.

3. "Declarations" means the policy Declarations, any amended Declarations, the most recent renewal notice or certificate, an Evidence of Insurance form or any endorsement changing any of these.

4. "Insured" means you and, if residents of your household:

- a. your relatives; and
- b. any other person under the age of 21 who is in the care of a person described above.

Under Section II, "insured" also means:

- c. with respect to animals or watercraft to which this policy applies, the person or organization legally responsible for them. However, the animal or watercraft must be owned by you or a person included in 4.a. or 4.b. A person or organization using or having custody of these animals or watercraft in the course of a business, or without permission of the owner, is not an Insured; and

- d. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of a person included in 4.a. or 4.b.

5. **"insured location"** means:

- a. the residence premises;
- b. the part of any other premises, other structures and grounds used by you as a residence. This includes premises, structures and grounds you acquire while this policy is in effect for your use as a residence;
- c. any premises used by you in connection with the premises included in 5.a. or 5.b.;
- d. any part of a premises not owned by an Insured but where an Insured is temporarily residing;
- e. land owned by or rented to an Insured on which a one or two family dwelling is being constructed as a residence for an Insured;
- f. individual or family cemetery plots or burial vaults owned by an Insured;
- g. any part of a premises occasionally rented to an Insured for other than business purposes;
- h. vacant land owned by or rented to an Insured. This does not include farm land; and
- i. farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

6. **"motor vehicle"**, when used in Section II of this policy, means:

- a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an insured location is not a motor vehicle;
- b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by

or carried on a vehicle included in 6.a. is not a motor vehicle;

- c. a motorized golf cart, snowmobile, motorized bicycle, motorized tricycle, all-terrain vehicle or any other similar type equipment owned by an Insured and designed or used for recreational or utility purposes off public roads, while off an Insured location. A motorized golf cart while used for golfing purposes is not a motor vehicle; and

- d. any vehicle while being towed by or carried on a vehicle included in 6.a., 6.b. or 6.c.

7. **"occurrence"**, when used in Section II of this policy, means an accident, including exposure to conditions, which results in:

- a. bodily injury; or
- b. property damage;

during the policy period. Repeated or continuous exposure to the same general conditions is considered to be one occurrence.

8. **"property damage"** means physical damage to or destruction of tangible property, including loss of use of this property. Theft or conversion of property by any Insured is not property damage.

9. **"residence employee"** means an employee of an Insured who performs duties, including household or domestic services, in connection with the maintenance or use of the residence premises. This includes employees who perform similar duties elsewhere for you. This does not include employees while performing duties in connection with the business of an Insured.

10. **"residence premises"** means:

- a. the one, two, three or four-family dwelling, other structures and grounds; or
- b. that part of any other building;

where you reside and which is shown in the Declarations.

SECTION I - COVERAGES**COVERAGE A - DWELLING**

1. **Dwelling.** We cover the dwelling used principally as a private residence on the residence premises shown in the Declarations.

Dwelling includes:

- a. structures attached to the dwelling;
- b. materials and supplies located on or adjacent to the residence premises for use in the construction, alteration or repair of the dwelling or other structures on the residence premises;
- c. foundation, floor slab and footings supporting the dwelling; and
- d. wall-to-wall carpeting attached to the dwelling.

2. **Dwelling Extension.** We cover other structures on the residence premises, separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

- a. not permanently attached to or otherwise forming a part of the realty;
- b. used in whole or in part for business purposes; or
- c. rented or held for rental to a person not a tenant of the dwelling, unless used solely as a private garage.

3. **Property Not Covered.** We do not cover:

- a. land, including the land necessary to support any Coverage A property;
- b. any costs required to replace, rebuild, stabilize, or otherwise restore the land; or
- c. the costs of repair techniques designed to compensate for or prevent land instability to any property, whether or not insured under Coverage A.

COVERAGE B - PERSONAL PROPERTY

1. **Property Covered.** We cover personal property owned or used by an insured while it is anywhere in the world. This includes structures not permanently attached to or otherwise forming a part of the realty. At your request, we will cover personal property owned by others while the property is on the part of the residence premises occupied exclusively by an insured. At your request, we will also cover personal property owned by a guest or a residence employee, while the property is in any other residence occupied by an insured.

We cover personal property usually situated at an insured's residence, other than the residence premises, for up to \$1,000 or 10% of the Coverage B limit, whichever is greater. This limitation does not apply to personal property in a newly acquired principal residence for the first 30 days after you start moving the property there. If the residence premises is a newly acquired principal residence, personal property in your immediate past principal residence is not subject to this limitation for the first 30 days after the inception of this policy.

Special Limits of Liability. These limits do not increase the Coverage B limit. The special limit for each of the following categories is the total limit for each loss for all property in that category:

- a. \$200 on money, coins and medals, including any of these that are a part of a collection, and bank notes;
- b. \$1,000 on property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, while on the residence premises. This coverage is limited to \$250 on such property away from the residence premises.

Electronic data processing system equipment or the recording or storage media used with that equipment is not included under this coverage.

- c. \$1,000 on securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports and tickets;
 - d. \$1,000 on watercraft of all types and outboard motors, including their trailers, furnishings and equipment;
 - e. \$1,000 on trailers not used with watercraft;
 - f. \$2,500 on stamps, trading cards and comic books, including any of these that are a part of a collection;
 - g. \$2,500 for loss by theft of firearms;
 - h. \$2,500 for loss by theft of silverware and goldware;
 - i. \$5,000 on electronic data processing system equipment and the recording or storage media used with that equipment. There is no coverage for said equipment or media while located away from the residence premises except when said equipment or media are removed from the residence premises for the purpose of repair, servicing or temporary use. An insured student's equipment and media are covered while at a residence away from home; and
 - j. \$5,000 on any one article and \$10,000 in the aggregate for loss by theft of any rug, carpet (except wall-to-wall carpet), tapestry, wall-hanging or other similar article.
2. **Property Not Covered.** We do not cover:
- a. articles separately described and specifically insured in this or any other insurance;
 - b. animals, birds or fish;
 - c. any engine or motor propelled vehicle or machine, including the parts, designed for movement on land. We do cover those not licensed for use on public highways which are:
 - (1) used solely to service the insured location; or
 - (2) designed for assisting the handicapped;
 - d. devices or instruments for the recording or reproduction of sound permanently attached to an engine or

motor propelled vehicle. We do not cover tapes, wires, records or other mediums that may be used with these devices or instruments while in the vehicle;

- e. aircraft and parts;
- f. property of roomers, boarders, tenants and other residents not related to an insured. We do cover property of roomers, boarders and other residents related to an insured;
- g. property regularly rented or held for rental to others by an insured. This exclusion does not apply to property of an insured in a sleeping room rented to others by an insured;
- h. property rented or held for rental to others away from the residence premises;
- i. any citizens band radios, radio telephones, radio transceivers, radio transmitters, radar or laser detectors, antennas and other similar equipment permanently attached to an engine or motor propelled vehicle;
- j. books of account, abstracts, drawings, card index systems and other records. This exclusion does not apply to any recording or storage media for electronic data processing. We will cover the cost of blank books, cards or other blank material plus the cost of labor you incur for transcribing or copying such records; or
- k. recording or storage media for electronic data processing that cannot be replaced with other of like kind and quality on the current retail market.

COVERAGE C - LOSS OF USE

1. **Additional Living Expense.** When a Loss Insured causes the residence premises to become uninhabitable, we will cover the necessary increase in cost you incur to maintain your standard of living for up to 24 months. Our payment is limited to incurred costs for the shortest of: (a) the time required to repair or replace the premises; (b) the time required for your household to settle elsewhere; or (c) 24 months. This coverage is not reduced by the expiration of this policy.

2. **Fair Rental Value.** When a Loss Insured causes that part of the residence premises rented to others or held for rental by you to become uninhabitable, we will cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental, but not to exceed 12 months. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the residence premises rented or held for rental is uninhabitable.

3. **Prohibited Use.** When a civil authority prohibits your use of the residence premises because of direct damage to a neighboring premises by a Loss Insured, we will cover any resulting Additional Living Expense and Fair Rental Value. Coverage is for a period not exceeding two weeks while use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

SECTION I - ADDITIONAL COVERAGES

The following Additional Coverages are subject to all the terms, provisions, exclusions and conditions of this policy.

1. **Debris Removal.** We will pay the reasonable expenses you incur in the removal of debris of covered property damaged by a Loss Insured. This expense is included in the limit applying to the damaged property.

When the amount payable for the property damage plus the debris removal exceeds the limit for the damaged property, an additional 5% of that limit is available for debris removal expense. This additional amount of insurance does not apply to Additional Coverage, item 3, Trees, Shrubs and Other Plants.

We will also pay up to \$500 in the aggregate for each loss to cover the reasonable expenses you incur in the removal of tree debris from the residence premises when the tree has caused a Loss Insured to Coverage A property.

2. **Temporary Repairs.** If damage is caused by a Loss Insured, we will pay the reasonable and necessary cost you incur for temporary repairs to covered property to protect the property from further immediate damage or

loss. This coverage does not increase the limit applying to the property being repaired.

3. **Trees, Shrubs and Other Plants.** We cover outdoor trees, shrubs, plants or lawns, on the residence premises, for direct loss caused by the following: Fire or lightning; Explosion, Riot or civil commotion; Aircraft; Vehicles (not owned or operated by a resident of the residence premises); Vandalism or malicious mischief or Theft.

The limit for this coverage, including the removal of debris, shall not exceed 5% of the amount shown in the Declarations for COVERAGE A - DWELLING. We will not pay more than \$500 for any one outdoor tree, shrub or plant, including debris removal expense. This coverage may increase the limit otherwise applicable. We do not cover property grown for business purposes.

4. **Fire Department Service Charge.** We will pay up to \$500 for your liability assumed by contract or agreement for fire department charges. This means charges incurred when the fire department is called to save or protect covered property from a Loss Insured. No deductible applies to this coverage. This coverage may increase the limit otherwise applicable.

5. **Property Removed.** Covered property, while being removed from a premises endangered by a Loss Insured, is covered for any accidental direct physical loss. This coverage also applies to the property for up to 30 days while removed. We will also pay for reasonable expenses incurred by you for the removal and return of the covered property. This coverage does not increase the limit applying to the property being removed.

6. **Credit Card, Bank Fund Transfer Card, Forgery and Counterfeit Money.**

a. We will pay up to \$1,000 for:

(1) the legal obligation of an insured to pay because of the theft or unauthorized use of credit cards and bank fund transfer cards issued to or registered in an insured's name. If an insured has not complied with all terms and conditions under which the cards are issued, we do not cover use by an insured or anyone else;

(2) loss to an insured caused by forgery or alteration of any check or negotiable instrument; and

(3) loss to an insured through acceptance in good faith of counterfeit United States or Canadian paper currency.

No deductible applies to this coverage.

We will not pay more than the limit stated above for forgery or alteration committed by any one person. This limit applies when the forgery or alteration involves one or more instruments in the same loss.

b. We do not cover loss arising out of business pursuits or dishonesty of an insured.

c. Defense:

(1) We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend claims or suits ends when the amount we pay for the loss equals our limit of liability.

(2) If claim is made or a suit is brought against an insured for liability under the Credit Card or Bank Fund Transfer Card coverage, we will provide a defense. This defense is at our expense by counsel of our choice.

(3) We have the option to defend at our expense an insured or an insured's bank against any suit for the enforcement of payment under the Forgery coverage.

7. **Power Interruption.** We cover accidental direct physical loss caused directly or indirectly by a change of temperature which results from power interruption that takes place on the residence premises. The power interruption must be caused by a Loss Insured occurring on the residence premises. The power lines off the residence premises must remain energized. This coverage does not increase the limit applying to the damaged property.

8. **Refrigerated Products.** Coverage B is extended to cover the contents of deep freeze or refrigerated units on the residence premises for loss due to power failure or mechanical failure. If mechanical failure or power failure

is known to you, all reasonable means must be used to protect the property insured from further damage or this coverage is void. Power failure or mechanical failure shall not include:

- a. removal of a plug from an electrical outlet; or
- b. turning off an electrical switch unless caused by a Loss Insured.

This coverage does not increase the limit applying to the damaged property.

9. **Arson Reward.** We will pay \$1,000 for information which leads to an arson conviction in connection with a fire loss to property covered by this policy. This coverage may increase the limit otherwise applicable. However, the \$1,000 limit shall not be increased regardless of the number of persons providing information.

10. **Volcanic Action.** We cover direct physical loss to a covered building or covered property contained in a building resulting from the eruption of a volcano when the loss is directly and immediately caused by:

- a. volcanic blast or airborne shock waves;
- b. ash, dust or particulate matter; or
- c. lava flow.

We will also pay for the removal of that ash, dust or particulate matter which has caused direct physical loss to a covered building or covered property contained in a building.

One or more volcanic eruptions that occur within a 360-hour period shall be considered one volcanic eruption.

This coverage does not increase the limit applying to the damaged property.

11. **Collapse.** We insure only for direct physical loss to covered property involving the sudden, entire collapse of a building or any part of a building.

Collapse means actually fallen down or fallen into pieces. It does not include settling, cracking, shrinking, bulging, expansion, sagging or bowing.

The collapse must be directly and immediately caused only by one or more of the following:

- a. perils described in **SECTION I - LOSSES INSURED, COVERAGE B - PERSONAL PROPERTY**. These perils apply to covered building and personal property for loss insured by this Additional Coverage;
- b. hidden decay of a supporting or weight-bearing structural member of the building;
- c. hidden insect or vermin damage to a structural member of the building;
- d. weight of contents, equipment, animals or people;
- e. weight of ice, snow, sleet or rain which collects on a roof; or
- f. use of defective material or methods in the construction (includes remodeling or renovation) of the building, if the collapse occurs during the course of the construction of the building.

Loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock is not included under items b., c., d., e.; and f. unless the loss is the direct and immediate cause of the collapse of the building.

SECTION I - LOSSES INSURED

COVERAGE A - DWELLING

We insure for accidental direct physical loss to the property described in Coverage A, except as provided in **SECTION I - LOSSES NOT INSURED**.

COVERAGE B - PERSONAL PROPERTY

We insure for accidental direct physical loss to property described in Coverage B caused by the following perils, except as provided in **SECTION I - LOSSES NOT INSURED**:

1. Fire or lightning.

This coverage does not increase the limit applying to the damaged property.

12. Locks. We will pay the reasonable expenses you incur to re-key locks on exterior doors of the dwelling located on the residence premises, when the keys to those locks are a part of a covered theft loss.

No deductible applies to this coverage.

INFLATION COVERAGE

The limits of liability shown in the Declarations for Coverage A, Coverage B and, when applicable, Option ID will be increased at the same rate as the increase in the Inflation Coverage Index shown in the Declarations.

To find the limits on a given date:

1. divide the Index on that date by the Index as of the effective date of this Inflation Coverage provision; then
2. multiply the resulting factor by the limits of liability for Coverage A, Coverage B and Option ID separately.

The limits of liability will not be reduced to less than the amounts shown in the Declarations.

If during the term of this policy the Coverage A limit of liability is changed at your request, the effective date of this Inflation Coverage provision is changed to coincide with the effective date of such change.

2. Windstorm or hail. This peril does not include loss to property contained in a building caused by rain, snow, sleet, sand or dust. This limitation does not apply when the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft of all types and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

3. Explosion.

4. Riot or civil commotion.

5. Aircraft, including self-propelled missiles and spacecraft.

6. Vehicles, meaning impact by a vehicle.

7. Smoke, meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. Vandalism or malicious mischief, meaning only willful and malicious damage to or destruction of property.

9. Theft, including attempted theft and loss of property from a known location when it is probable that the property has been stolen.

This peril does not include:

a. loss of a precious or semi-precious stone from its setting;

b. loss caused by theft:

(1) committed by an insured or by any other person regularly residing on the insured location. Property of a student who is an insured is covered while located at a residence away from home, if the theft is committed by a person who is not an insured;

(2) in or to a dwelling under construction or of materials and supplies for use in the construction until the dwelling is completed and occupied; or

(3) from the part of a residence premises rented to others:

(a) caused by a tenant, members of the tenant's household, or the tenant's employees;

(b) of money, bank notes, bullion, gold, goldware, silver, silverware, pewterware, platinum, coins and medals;

(c) of securities, checks, cashier's checks, traveler's checks, money orders and other negotiable instruments, accounts, deeds, evidences of debt, letters of credit, notes

other than bank notes, manuscripts, passports, tickets and stamps; or

(d) of jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones;

c. loss caused by theft that occurs away from the residence premises of:

(1) property while at any other residence owned, rented to, or occupied by an insured, except while an insured is temporarily residing there. Property of a student who is an insured is covered while at a residence away from home;

(2) watercraft of all types, including their furnishings, equipment and outboard motors; or

(3) trailers and campers designed to be pulled by or carried on a vehicle.

If the residence premises is a newly acquired principal residence, property in the immediate past principal residence shall not be considered property away from the residence premises for the first 30 days after the inception of this policy.

10. Falling objects. This peril does not include loss to property contained in a building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

11. Weight of ice, snow or sleet which causes damage to property contained in a building.

12. Sudden and accidental discharge or overflow of water or steam from within a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or from within a household appliance.

This peril does not include loss:

a. to the system or appliance from which the water or steam escaped;

b. caused by or resulting from freezing;

c. caused by or resulting from water or sewage from outside the residence premises plumbing system that enters through sewers or drains; or water which

enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or

- d. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, mold, or wet or dry rot.

13. Sudden and accidental tearing asunder, cracking, burning or bulging of a steam or hot water heating system, an air conditioning or automatic fire protective sprinkler system, or an appliance for heating water.

This peril does not include loss:

- a. caused by or resulting from freezing; or
- b. caused by or resulting from continuous or repeated seepage or leakage of water or steam which occurs over a period of time and results in deterioration, corrosion, rust, mold, or wet or dry rot.

14. Freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance.

This peril does not include loss on the residence premises while the dwelling is vacant, unoccupied or being constructed, unless you have used reasonable care to:

- a. maintain heat in the building; or
- b. shut off the water supply and drain the system and appliances of water.

15. Sudden and accidental damage to electrical appliances, devices, fixtures and wiring from an increase or decrease of artificially generated electrical current. We will pay up to \$1,000 under this peril for each damaged item described above.

16. Breakage of glass, meaning damage to personal property caused by breakage of glass which is a part of a building on the residence premises. There is no coverage for loss or damage to the glass.

SECTION I - LOSSES NOT INSURED

1. We do not insure under any coverage for any loss consisting of the items in paragraphs 2., 3., 4. or 5. below. This exclusion does not apply if the loss is caused by a peril which is not otherwise excluded.

2. We do not insure for any loss to the property described in Coverage A which is caused by one or more of the items below, regardless of whether the loss occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

- a. collapse, except as specifically provided in SECTION I- ADDITIONAL COVERAGES, Collapse;
- b. freezing of a plumbing, heating, air conditioning or automatic fire protective sprinkler system, or of a household appliance, or by discharge, leakage or overflow from within the system or appliance caused by freezing. This exclusion only applies while the dwelling is vacant, unoccupied or being constructed.

This exclusion does not apply if you have used reasonable care to:

- (1) maintain heat in the building; or
- (2) shut off the water supply and drain the system and appliances of water;
- c. freezing, thawing, pressure or weight of water or ice, whether driven by wind or not, to a swimming pool, hot tub or spa, including their filtration and circulation systems, fence, pavement, patio, foundation, retaining wall, bulkhead; pier, wharf or dock;
- d. theft in or to a dwelling under construction, or of materials and supplies for use in the construction, until the dwelling is completed and occupied;
- e. vandalism or malicious mischief or breakage of glass and safety glazing materials if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

- f. continuous or repeated seepage or leakage of water or steam from a:
- (1) heating, air conditioning or automatic fire protective sprinkler system;
 - (2) household appliance; or
 - (3) plumbing system, including from, within or around any shower stall, shower bath, tub installation, or other plumbing fixture, including their walls, ceilings or floors;
- which occurs over a period of time. If loss to covered property is caused by water or steam not otherwise excluded, we will cover the cost of tearing out and replacing any part of the building necessary to repair the system or appliance. We do not cover loss to the system or appliance from which the water or steam escaped;
- g. wear, tear, marring, scratching, deterioration, inherent vice, latent defect or mechanical breakdown;
 - h. corrosion, electrolysis or rust;
 - i. mold, fungus or wet or dry rot;
 - j. contamination;
 - k. smog, smoke from agricultural smudging or industrial operations;
 - l. settling, cracking, shrinking, bulging, or expansion of pavements, patios, foundation, walls, floors, roofs or ceilings;
 - m. birds, vermin, rodents, insects, or domestic animals. We do cover the breakage of glass or safety glazing material which is a part of a building, when caused by birds, vermin, rodents, insects or domestic animals; or
 - n. pressure from or presence of tree, shrub or plant roots.
- However, we do insure for any resulting loss from items a. through m. unless the resulting loss is itself a Loss Not Insured by this Section.
3. We do not insure under any coverage for any loss which would not have occurred in the absence of one or more

of the following excluded events. We do not insure for such loss regardless of: (a) the cause of the excluded event; or (b) other causes of the loss; or (c) whether other causes acted concurrently or in any sequence with the excluded event to produce the loss; or (d) whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. **Earthquake.**

However, we do insure for any direct loss by fire resulting from earthquake, provided the resulting fire loss is itself a Loss Insured.

b. **Nuclear Hazard**, meaning any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion or smoke.

However, we do insure for any direct loss by fire resulting from the nuclear hazard, provided the resulting fire loss is itself a Loss Insured.

4. We do not insure under any coverage for any loss which is caused by one or more of the items below, regardless of whether the event occurs suddenly or gradually, involves isolated or widespread damage, arises from natural or external forces, or occurs as a result of any combination of these:

a. **Ordinance or Law**, meaning enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure.

b. **Earth Movement**, meaning the sinking, rising, shifting, expanding or contracting of earth, all whether combined with water or not. Earth movement includes but is not limited to landslide, mudflow, mudslide, sinkhole, subsidence, erosion or movement resulting from improper compaction, site selection or any other external forces. Earth movement also includes volcanic explosion or lava flow, except as specifically provided in SECTION I - ADDITIONAL COVERAGES, Volcanic Action.

However, we do insure for any direct loss by fire resulting from earth movement, provided the resulting fire loss is itself a Loss Insured.

c. **Water Damage**, meaning:

- (1) flood; surface water, waves, tidal water, tsunami, seiche, overflow of a body of water, or spray from any of these, all whether driven by wind or not;
- (2) water or sewage from outside the residence premises plumbing system that enters through sewers or drains, or water which enters into and overflows from within a sump pump, sump pump well or any other system designed to remove subsurface water which is drained from the foundation area; or
- (3) water below the surface of the ground, including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

However, we do insure for any direct loss by fire, explosion or theft resulting from water damage, provided the resulting loss is itself a Loss Insured.

- d. **Neglect**, meaning neglect of the Insured to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered.
- e. **War**, including any undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any conse-

quence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

5. We do not insure for loss described in paragraphs 2., 3. and 4. immediately above regardless of whether one or more of the following: (a) directly or indirectly cause, contribute to or aggravate the loss; or (b) occur before, at the same time, or after the loss or any other cause of the loss:

- a. conduct, act, failure to act, or decision of any person, group, organization or governmental body whether intentional, wrongful, negligent, or without fault;
- b. defect, weakness, inadequacy, fault or unsoundness in:
 - (1) planning, zoning, development, surveying, siting;
 - (2) design, specifications, workmanship, construction, grading, compaction;
 - (3) materials used in construction or repair; or
 - (4) maintenance;

of any property (including land, structures, or improvements of any kind) whether on or off the residence premises; or

c. **weather conditions**.

However, we do insure for any resulting loss from items a., b. and c. unless the resulting loss is itself a Loss Not Insured by this Section.

SECTION I - LOSS SETTLEMENT

Only the Loss Settlement provisions shown in the Declarations apply. We will settle covered property losses according to the following.

COVERAGE A - DWELLING

1. A1 - Replacement Cost Loss Settlement - Similar Construction.

a. We will pay the cost to repair or replace with similar construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I - COVERAGES, COVERAGE A - DWELLING, except for wood fences, subject to the following:

- (1) until actual repair or replacement is completed, we will pay only the actual cash value at the time of the loss of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost to repair or replace the damaged part of the property;
 - (2) when the repair or replacement is actually completed, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;
 - (3) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and
 - (4) we will not pay for increased costs resulting from enforcement of any ordinance or law regulating the construction, repair or demolition of a building or other structure, except as provided under Option OL - Building Ordinance or Law Coverage.
- b. Wood Fences: We will pay the actual cash value at the time of loss for loss or damage to wood fences, not to exceed the limit of liability shown in the Decla-

rations for COVERAGE A - DWELLING EXTENSION.

2. A2 - Replacement Cost Loss Settlement - Common Construction.

a. We will pay the cost to repair or replace with common construction and for the same use on the premises shown in the Declarations, the damaged part of the property covered under SECTION I - COVERAGES, COVERAGE A - DWELLING, except for wood fences, subject to the following:

- (1) we will pay only for repair or replacement of the damaged part of the property with common construction techniques and materials commonly used by the building trades in standard new construction. We will not pay the cost to repair or replace obsolete, antique or custom construction with like kind and quality;
- (2) until actual repair or replacement is completed, we will pay only the actual cash value at the time of the loss of the damaged part of the property, up to the applicable limit of liability shown in the Declarations, not to exceed the cost to repair or replace the damaged part of the property as described in a.(1) above;
- (3) when the repair or replacement is actually completed as described in a.(1) above, we will pay the covered additional amount you actually and necessarily spend to repair or replace the damaged part of the property, or an amount up to the applicable limit of liability shown in the Declarations, whichever is less;
- (4) to receive any additional payments on a replacement cost basis, you must complete the actual repair or replacement of the damaged part of the property within two years after the date of loss, and notify us within 30 days after the work has been completed; and
- (5) we will not pay for increased costs resulting from enforcement of any ordinance or law regulating

the construction, repair or demolition of a building or other structure, except as provided under Option OL - Building Ordinance or Law Coverage.

- b. Wood Fences: We will pay the actual cash value at the time of loss for loss or damage to wood fences; not to exceed the limit of liability shown in the Declaration; for COVERAGE A - DWELLING EXTENSION.

COVERAGE B - PERSONAL PROPERTY

1. B1 - Limited Replacement Cost Loss Settlement.

- a. We will pay the cost to repair or replace property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b, below, subject to the following:
- (1) until repair or replacement is completed, we will pay only the cost to repair or replace less depreciation;
 - (2) after repair or replacement is completed, we will pay the difference between the cost to repair or replace less depreciation and the cost you have actually and necessarily spent to repair or replace the property; and
 - (3) if property is not repaired or replaced within two years after the date of loss, we will pay only the cost to repair or replace less depreciation.
- b. We will pay market value at the time of loss for:
- (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;
 - (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and

- (3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

- (1) our cost to replace at the time of loss;
- (2) the full cost of repair;
- (3) any special limit of liability described in the policy; or
- (4) any applicable Coverage B limit of liability.

2. B2 - Depreciated Loss Settlement.

- a. We will pay the cost to repair or replace less depreciation at the time of loss for property covered under SECTION I - COVERAGES, COVERAGE B - PERSONAL PROPERTY, except for property listed in item b. below.
- b. We will pay market value at the time of loss for:
- (1) antiques, fine arts, paintings, statuary and similar articles which by their inherent nature cannot be replaced with new articles;
 - (2) articles whose age or history contribute substantially to their value including, but not limited to, memorabilia, souvenirs and collectors items; and
 - (3) property not useful for its intended purpose.

However, we will not pay an amount exceeding the smallest of the following for items a. and b. above:

- (1) our cost to replace at the time of loss;
- (2) the full cost of repair;
- (3) any special limit of liability described in the policy; or
- (4) any applicable Coverage B limit of liability.

SECTION I - CONDITIONS

- he 1. **Insurable Interest and Limit of Liability.** Even if more
than one person has an insurable interest in the property
covered, we shall not be liable:
- ay: a. to the Insured for an amount greater than the In-
sured's interest; or
- b. for more than the applicable limit of liability.
2. **Your Duties After Loss.** After a loss to which this
insurance may apply, you shall see that the following
duties are performed:
- a-
ler
R-
in a. give immediate notice to us or our agent. Also notify
the police if the loss is caused by theft. Also notify the
credit card company or bank if the loss involves a
credit card or bank fund transfer card;
- lar
be b. protect the property from further damage or loss;
make reasonable and necessary temporary repairs
required to protect the property. Keep an accurate
record of repair expenditures;
- in-
to, c. prepare an inventory of damaged or stolen personal
and property. Show in detail the quantity, description,
age, replacement cost and amount of loss. Attach to
the inventory all bills, receipts and related documents
that substantiate the figures in the inventory;
- he d. as often as we reasonably require:
- (1) exhibit the damaged property;
- (2) provide us with records and documents we re-
quest and permit us to make copies;
- cy: (3) submit to and subscribe, while not in the pres-
ence of any other insured:
- (a) statements; and
- (b) examinations under oath; and
- (4) produce employees, members of the Insured's
household or others for examination under oath
to the extent it is within the Insured's power to
do so; and
- e. submit to us, within 60 days after the loss, your
signed, sworn proof of loss which sets forth, to the
best of your knowledge and belief:
- (1) the time and cause of loss;
- (2) interest of the Insured and all others in the prop-
erty involved and all encumbrances on the prop-
erty;
- (3) other insurance which may cover the loss;
- (4) changes in title or occupancy of the property
during the term of this policy;
- (5) specifications of any damaged building and de-
tailed estimates for repair of the damage;
- (6) an inventory of damaged or stolen personal prop-
erty described in 2.c.;
- (7) receipts for additional living expenses incurred
and records supporting the fair rental value loss;
and
- (8) evidence or affidavit supporting a claim under the
Credit Card, Bank Fund Transfer Card, Forgery
and Counterfeit Money coverage, stating the
amount and cause of loss.
3. **Loss to a Pair or Set.** In case of loss to a pair or set, we
may elect to:
- a. repair or replace any part to restore the pair or set to
its value before the loss; or
- b. pay the difference between the depreciated value of
the property before and after the loss.
4. **Appraisal.** If you and we fail to agree on the amount of
loss, either one can demand that the amount of the loss
be set by appraisal. If either makes a written demand for
appraisal, each shall select a competent, disinterested
appraiser. Each shall notify the other of the appraiser's
identity within 20 days of receipt of the written demand.
The two appraisers shall then select a competent, impar-
tial umpire. If the two appraisers are unable to agree upon
an umpire within 15 days, you or we can ask a judge of
a court of record in the state where the residence prem-

ises is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

5. **Other Insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only our share of the loss. Our share is the proportion of the loss that the applicable limit under this policy bears to the total amount of insurance covering the loss.

6. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions. The action must be started within one year after the date of loss or damage.

7. **Our Option.** We may repair or replace any part of the property damaged or stolen with similar property. Any property we pay for or replace becomes our property.

8. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 30 days after we receive your proof of loss and:

- a. reach agreement with you;
- b. there is an entry of a final judgment; or
- c. there is a filing of an appraisal award with us.

9. **Abandonment of Property.** We need not accept any property abandoned by an insured.

10. **Mortgage Clause.** The word "mortgagee" includes trustee.

- a. If a mortgagee is named in this policy, any loss payable under Coverage A shall be paid to the mortgagee and you, as interests appear. If more than one mortgagee is named, the order of payment shall be the same as the order of precedence of the mortgages.

b. If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

- (1) notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;
- (2) pays on demand any premium due under this policy, if you have not paid the premium; and
- (3) submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

c. If this policy is cancelled by us, the mortgagee shall be notified at least 10 days before the date cancellation takes effect. Proof of mailing shall be proof of notice.

d. If we pay the mortgagee for any loss and deny payment to you:

- (1) we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or
- (2) at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

e. Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

11. **No Benefit to Bailee.** We will not recognize an assignment or grant coverage for the benefit of a person or organization holding, storing or transporting property for a fee. This applies regardless of any other provision of this policy.

12. **Intentional Acts.** If you or any person insured under this policy causes or procures a loss to property covered under this policy for the purpose of obtaining insurance benefits, then this policy is void and we will not pay you or any other insured for this loss.

SECTION II - LIABILITY COVERAGES**COVERAGE L - PERSONAL LIABILITY**

If a claim is made or a suit is brought against an insured for damages because of bodily injury or property damage to which this coverage applies, caused by an occurrence, we will:

1. pay up to our limit of liability for the damages for which the insured is legally liable; and
2. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damages, to effect settlement or satisfy a judgment resulting from the occurrence, equals our limit of liability.

COVERAGE M - MEDICAL PAYMENTS TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing bodily injury. Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage applies only:

1. to a person on the insured location with the permission of an insured;
2. to a person off the insured location, if the bodily injury:
 - a. arises out of a condition on the insured location or the ways immediately adjoining;
 - b. is caused by the activities of an insured;
 - c. is caused by a residence employee in the course of the residence employee's employment by an insured; or
 - d. is caused by an animal owned by or in the care of an insured; or
3. to a residence employee if the occurrence causing bodily injury occurs off the insured location and arises out of or in the course of the residence employee's employment by an insured.

SECTION II - ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. Claim Expenses. We pay:

- a. expenses we incur and costs taxed against an insured in suits we defend;
- b. premiums on bonds required in suits we defend, but not for bond amounts greater than the Coverage L limit. We are not obligated to apply for or furnish any bond;
- c. reasonable expenses an insured incurs at our request. This includes actual loss of earnings (but not loss of other income) up to \$100 per day for aiding us in the investigation or defense of claims or suits;
- d. prejudgment interest awarded against the insured on that part of the judgment we pay; and
- e. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

2. First Aid Expenses. We will pay expenses for first aid to others incurred by an insured for bodily injury covered under this policy. We will not pay for first aid to you or any other insured.**3. Damage to Property of Others.**

- a. We will pay for property damage to property of others caused by an insured.
- b. We will not pay more than the smallest of the following amounts:
 - (1) replacement cost at the time of loss;
 - (2) full cost of repair; or
 - (3) \$500 in any one occurrence.

c. We will not pay for **property damage**:

- (1) if insurance is otherwise provided in this policy;
- (2) caused intentionally by an **Insured** who is 13 years of age or older;
- (3) to property, other than a rented golf cart, owned by or rented to an **Insured**, a tenant of an **Insured**, or a resident in your household; or
- (4) arising out of:

(a) **business pursuits**;

- (b) any act or omission in connection with a premises an **Insured** owns, rents or controls, other than the **Insured location**; or
- (c) the ownership, maintenance, or use of a **motor vehicle**, aircraft, or watercraft, including airboat, air cushion, personal watercraft, sail board or similar type watercraft.

SECTION II - EXCLUSIONS

1. Coverage L and Coverage M do not apply to:

a. **bodily injury or property damage**:

- (1) which is either expected or intended by the **Insured**; or
- (2) which is the result of willful and malicious acts of the **Insured**;

b. **bodily injury or property damage** arising out of business pursuits of any **Insured** or the rental or holding for rental of any part of any premises by any **Insured**. This exclusion does not apply:

- (1) to activities which are ordinarily incident to non-business pursuits;
- (2) with respect to Coverage L to the occasional or part-time business pursuits of an **Insured** who is under 19 years of age;
- (3) to the rental or holding for rental of a residence of yours:
 - (a) on an occasional basis for the exclusive use as a residence;
 - (b) in part, unless intended for use as a residence by more than two roomers or boarders; or
 - (c) in part, as an office, school, studio or private garage;

- (4) when the dwelling on the **residence premises** is a two, three or four-family dwelling and you occupy one part and rent or hold for rental the other part; or

- (5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations;

c. **bodily injury or property damage** arising out of the rendering or failing to render professional services;

d. **bodily injury or property damage** arising out of any premises currently owned or rented to any **Insured** which is not an **Insured location**. This exclusion does not apply to **bodily injury** to a **residence employee** arising out of and in the course of the **residence employee's** employment by an **Insured**;

e. **bodily injury or property damage** arising out of the ownership, maintenance, use, loading or unloading of:

- (1) an aircraft;
- (2) a **motor vehicle** owned or operated by or rented or loaned to any **Insured**; or
- (3) a watercraft:
 - (a) owned by or rented to any **Insured** if it has inboard or inboard-outdrive motor power of more than 50 horsepower;

(b) owned by or rented to any Insured if it is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length;

(c) powered by one or more outboard motors with more than 25 total horsepower owned by any Insured;

(d) designated as an airboat, air cushion, or similar type of craft; or

(e) owned by any Insured which is a personal watercraft using a water jet pump powered by an internal combustion engine as the primary source of propulsion.

This exclusion does not apply to bodily injury to a residence employee arising out of and in the course of the residence employee's employment by an Insured. Exclusion e.(3) does not apply while the watercraft is on the residence premises.

f. **bodily injury or property damage arising out of:**

(1) the entrustment by any Insured to any person;

(2) the supervision by any Insured of any person;

(3) any liability statutorily imposed on any Insured; or

(4) any liability assumed through an unwritten or written agreement by any Insured;

with regard to the ownership, maintenance or use of any aircraft, watercraft, or motor vehicle which is not covered under Section II of this policy.

g. **bodily injury or property damage caused directly or indirectly by war, including undeclared war, or any warlike act including destruction or seizure or use for a military purpose, or any consequence of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.**

h. **bodily injury to you or any Insured within the meaning of part a. or b. of the definition of Insured.**

This exclusion also applies to any claim made or suit brought against you or any Insured to share damages with or repay someone else who may be obli-

gated to pay damages because of the bodily injury sustained by you or any Insured within the meaning of part a. or b. of the definition of Insured;

i. **any claim made or suit brought against any Insured by:**

(1) any person who is in the care of any Insured because of child care services provided by or at the direction of:

(a) any Insured;

(b) any employee of any Insured; or

(c) any other person actually or apparently acting on behalf of any Insured; or

(2) any person who makes a claim because of bodily injury to any person who is in the care of any Insured because of child care services provided by or at the direction of:

(a) any Insured;

(b) any employee of any Insured; or

(c) any other person actually or apparently acting on behalf of any Insured.

This exclusion does not apply to the occasional child care services provided by any Insured, or to the part-time child care services provided by any Insured who is under 19 years of age; or

i. **bodily injury or property damage arising out of an Insured's participation in, or preparation or practice for any prearranged or organized race, speed or demolition contest, or similar competition involving a motorized land vehicle or motorized watercraft. This exclusion does not apply to a sailing vessel less than 26 feet in overall length with or without auxiliary power.**

2. Coverage L does not apply to:

a. **liability:**

(1) for your share of any loss assessment charged against all members of an association of property owners; or

- (2) assumed under any unwritten contract or agreement, or by contract or agreement in connection with a business of the insured;
 - b. property damage to property currently owned by any insured;
 - c. property damage to property rented to, occupied or used by or in the care of any insured. This exclusion does not apply to property damage caused by fire, smoke or explosion;
 - d. bodily injury to a person eligible to receive any benefits required to be provided or voluntarily provided by an insured under a workers' compensation, non-occupational disability, or occupational disease law;
 - e. bodily injury or property damage for which an insured under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors.
3. Coverage M does not apply to bodily injury:
- a. to a residence employee if it occurs off the insured location and does not arise out of or in the course of the residence employee's employment by an insured;
 - b. to a person eligible to receive any benefits required to be provided or voluntarily provided under any workers' compensation, non-occupational disability or occupational disease law;
 - c. from nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these;
 - d. to a person other than a residence employee of an insured, regularly residing on any part of the insured location.

SECTION II - CONDITIONS

1. **Limit of Liability.** The Coverage L limit is shown in the Declarations. This is our limit for all damages from each occurrence regardless of the number of insureds, claims made or persons injured.
The Coverage M limit is shown in the Declarations. This is our limit for all medical expense for bodily injury to one person as the result of one accident.
2. **Severability of Insurance.** This insurance applies separately to each insured. This condition shall not increase our limit of liability for any one occurrence.
3. **Duties After Loss.** In case of an accident or occurrence, the insured shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:
 - a. give written notice to us or our agent as soon as practicable, which sets forth:
 - (1) the identity of this policy and insured;
 - (2) reasonably available information on the time, place and circumstances of the accident or occurrence; and
 - (3) names and addresses of any claimants and available witnesses;
 - b. immediately forward to us every notice, demand, summons or other process relating to the accident or occurrence;
 - c. at our request, assist in:
 - (1) making settlement;
 - (2) the enforcement of any right of contribution or indemnity against a person or organization who may be liable to an insured;
 - (3) the conduct of suits and attend hearings and trials; and

- (4) securing and giving evidence and obtaining the attendance of witnesses;
- d. under the coverage - **Damage to Property of Others**, exhibit the damaged property if within the Insured's control; and
- e. the Insured shall not, except at the Insured's own cost, voluntarily make payments, assume obligations or incur expenses. This does not apply to expense for first aid to others at the time of the bodily injury.
4. **Duties of an Injured Person - Coverage M.** The injured person, or, when appropriate, someone acting on behalf of that person, shall:
- give us written proof of claim, under oath if required, as soon as practicable;
 - execute authorization to allow us to obtain copies of medical reports and records; and
 - submit to physical examination by a physician selected by us when and as often as we reasonably require.

5. **Payment of Claim - Coverage M.** Payment under this coverage is not an admission of liability by an Insured or us.

6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

No one shall have the right to join us as a party to an action against an Insured. Further, no action with respect to Coverage L shall be brought against us until the obligation of the Insured has been determined by final judgment or agreement signed by us.

7. **Bankruptcy of an Insured.** Bankruptcy or insolvency of an Insured shall not relieve us of our obligation under this policy.

8. **Other Insurance - Coverage L.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II - CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or bodily injury or property damage under Section II which occurs during the period this policy is in effect.
2. **Concealment or Fraud.** This policy is void as to you and any other Insured, if you or any other Insured under this policy has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance, whether before or after a loss.
3. **Liberalization Clause.** If we adopt any revision which would broaden coverage under this policy without additional premium, within 60 days prior to or during the period this policy is in effect, the broadened coverage will immediately apply to this policy.
4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. Cancellation.

- a. You may cancel this policy at any time by notifying us in writing of the date cancellation is to take effect. We may waive the requirement that the notice be in writing by confirming the date and time of cancellation to you in writing.
- b. We may cancel this policy only for the reasons stated in this condition. We will notify you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you, or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice. Upon receipt of written request from you, we shall furnish the facts on which the cancellation is based.
 - (1) When you have not paid the premium, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect. This condition applies whether the premium is

payable to us or our agent or under any finance or credit plan.

- (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason. We may cancel by notifying you at least 10 days before the date cancellation takes effect.
- (3) When this policy has been in effect for 60 days or more or at any time if it is a renewal with us, we may cancel if there has been:
 - (a) conviction of a crime having as one of its necessary elements an act increasing the hazard insured against;
 - (b) discovery of fraud or material misrepresentation;
 - (c) discovery of grossly negligent acts or omissions substantially increasing any of the hazards insured against; or
 - (d) physical changes in the property insured which result in the property becoming uninsurable.

We may cancel this policy by notifying you at least 45 days before the date cancellation takes effect.
- (4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary. We may cancel by notifying you at least 45 days before the date cancellation takes effect.
- c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our rules for such cancellation. The return premium may be less than a full pro rata refund. When we cancel, the return premium will be pro rata.
- d. If, when we cancel this policy, the return premium is not refunded with the notice of cancellation, we will refund it within 25 days after the date cancellation takes effect. If, when you cancel this policy, the return

premium is not refunded when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Nonrenewal:** We may elect not to renew this policy. If we elect not to renew, a written notice will be delivered to you, or mailed to you at your mailing address shown in the Declarations. The notice will be mailed or delivered at least 45 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

If this policy is written for a period of less than one year, we agree not to refuse to renew except at the end of an annual period commencing with the original or renewal effective date.

7. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation:** An Insured may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extent that payment is made by us.

If an assignment is sought, an Insured shall:

- a. sign and deliver all related papers;
- b. cooperate with us in a reasonable manner; and
- c. do nothing after a loss to prejudice such rights.

Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person shown in the Declarations or the spouse, if a resident of the same household, dies:

- a. we insure the legal representative of the deceased. This condition applies only with respect to the premises and property of the deceased covered under this policy at the time of death;

- b. Insured includes:

- (1) any member of your household who is an insured at the time of your death, but only while a resident of the residence premises; and

(2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

10. **Conformity to State Law.** When a policy provision is in conflict with the applicable law of the State in which this policy is issued, the law of the State will apply.

WORKERS' COMPENSATION (Residence Employees)

COVERAGES

We will pay, with respect to residence employees:

1. under Coverage I, when due, all benefits required of an insured by the California Workers' Compensation Law; and
2. under Coverage II, on behalf of an insured, all damages for which the insured is legally liable because of bodily injury sustained by a residence employee. The bodily injury must be caused by accident or disease and arise out of and in the course of employment by the insured while:
 - a. in the United States of America, its territories or possessions, or Canada; or
 - b. temporarily elsewhere if the residence employee is a citizen or resident of the United States or Canada.

a. Coverage II does not apply to any suit brought in or judgment rendered by any court outside the United States of America, its territories and possessions, or Canada, or to any action on such judgment.

d. These coverages apply only to bodily injury which occurs during the policy period. If the bodily injury is a disease, it must be caused or aggravated by the conditions of the residence employee's employment by the insured.

SPECIAL DEFINITION

n- Residence employee, as used in this coverage, means an employee of any insured whose duties are incidental to the ownership, maintenance or use of the residence premises, including the performance of household domestic services, or whose duties are personal and not in the course of the trade, business, profession or occupation of any insured.

Residence employee does not include any person of whom the insured is the parent, spouse or child. Also, residence employee does not include any person who, during the 90 calendar days immediately preceding injury:

1. was employed by the insured for less than 52 hours; or
2. earned less than \$100 in wages from an insured.

EXCLUSIONS

This coverage does not apply:

1. to liability for additional compensation imposed on an insured under Sections 4553 and 4557, Division IV, Labor Code of the State of California, because of:
 - a. the serious and willful misconduct of an insured; or
 - b. bodily injury to an employee under 16 years of age and illegally employed at the time of injury;
2. to liability for bodily injury arising out of business pursuits of an insured;
3. to liability arising out of the discharge, harassment or coercion of, or the discrimination against any employee in violation of any law;
4. under Coverage II:
 - a. to liability assumed by the insured under any contract or agreement;
 - b. to bodily injury by disease unless a written claim is made or suit brought against the insured within 36 months after the end of the policy period;
 - c. to any obligation under a workers' compensation, unemployment or disability benefits law or any similar law;

- d. to punitive or exemplary damages where insurance of liability therefor is prohibited by law or contrary to public policy;
- e. to bodily injury intentionally caused or aggravated by you.

LIMIT OF LIABILITY COVERAGE II

Our total limit of liability will not exceed \$100,000 for all damages because of **bodily injury**:

- 1. sustained by one or more residence employees in any one accident; or
- 2. caused by disease and sustained by a residence employee.

Our total limit of liability will not exceed \$500,000 for all damages arising out of **bodily injury** by disease regardless of the number of residence employees who sustain **bodily injury** by disease.

APPLICABLE POLICY PROVISIONS

The following policy provisions apply to this coverage:

- 1. the definitions of "you", "your", "we", "us", "our", "bodily injury", "business", "insured" and "residence premises";
- 2. our agreement to defend the Insured as provided under Coverage L - Personal Liability;
- 3. Section II - Additional Coverages, items:
 - 1. Claim Expenses; and
 - 2. First Aid Expenses;
- 4. Section II - Conditions, items:
 - 3. Duties After Loss; and
 - 6. Suit Against Us;
- 5. Section I and Section II - Conditions, items:
 - 4. Waiver or Change of Policy Provisions;
 - 5. Cancellation;
 - 7. Assignment; and
 - 8. Subrogation.

ADDITIONAL POLICY PROVISIONS

The following additional provisions apply:

1. under Coverage I:

- a. we will be directly and primarily liable to any residence employee of an insured entitled to the benefits of the California Workers' Compensation Law;
- b. as between the residence employee and us, notice to or knowledge of the occurrence of the injury on the part of an insured will be deemed notice or knowledge on our part;
- c. the jurisdiction of an insured will, for the purpose of the law imposing liability for compensation, be our jurisdiction;
- d. we will be subject to the orders, findings, decisions or awards rendered against an insured, under the provisions of the law imposing liability for compensation, subject to the provisions, conditions and limitations of this policy. This policy shall govern as between an insured and us as to payments by either in discharge of an insured's liability for compensation;
- e. the residence employee has a first lien upon any amount which we owe you on account of this insurance. In case of your legal incapacity or inability to receive the money and pay it to the residence employee, we will pay it directly to the residence employee. Your obligation to the residence employee will be discharged to the extent of such payment; and
- f. the law mandates that you reimburse us for penalties we are required to pay the injured employee. We are required to pay a 10% penalty of the late payment if the late payment which gives rise to an increased payment is due less than 7 days after we receive the completed claim form from the employer.

We will notify you in writing within 30 days of the payment and will bill and collect the amount of the penalty. You are not obligated to repay us unless the aggregate total paid in a policy year exceeds \$100.

You will have 60 days, following notice of the obligation to reimburse, to appeal the decision to the Department of Insurance.

2. under Coverage I and Coverage II:

- a. Other Insurance. This coverage does not apply to any loss to which other valid and collectible Workers'

Compensation or Employers' Liability Insurance applies.

- b. **Conformity to Statute.** Terms of this coverage which are in conflict with the California Workers' Compensation Law are amended to conform to that law.

OPTIONAL POLICY PROVISIONS

Each Optional Policy Provision applies only as shown in the Declarations and is subject to all the terms, provisions, exclusions and conditions of this policy.

Option AI - Additional Insured. The definition of Insured is extended to include the person or organization shown in the Declarations as an Additional Insured or whose name is on file with us. Coverage is with respect to:

1. Section I - Coverage A; or
2. Section II - Coverages L and M but only with respect to the residence premises. This coverage does not apply to bodily injury to an employee arising out of or in the course of the employee's employment by the person or organization.

This option applies only with respect to the location shown in the Declarations.

Option BP - Business Property. The **COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability**, item b., for property used or intended for use in a business, including merchandise held as samples or for sale or for delivery after sale, is changed as follows:

The \$1,000 limit is replaced with the amount shown in the Declarations for this option.

Option BU - Business Pursuits. SECTION II - EXCLUSIONS, item 1.b. is modified as follows:

1. Section II coverage applies to the business pursuits of an insured who is a:

- a. clerical office employee, salesperson, collector, messenger; or

- b. teacher (except college, university and professional athletic coaches), school principal or school administrator;

while acting within the scope of the above listed occupations.

2. However, no coverage is provided:

- a. for bodily injury or property damage arising out of a business owned or financially controlled by the Insured or by a partnership of which the Insured is a partner or member;

- b. for bodily injury or property damage arising out of the rendering of or failure to render professional services of any nature (other than teaching or school administration). This exclusion includes but is not limited to:

- (1) computer programming, architectural, engineering or industrial design services;

- (2) medical, surgical, dental or other services or treatment conducive to the health of persons or animals; and

- (3) beauty or barber services or treatment;

- c. for bodily injury to a fellow employee of the Insured injured in the course of employment; or

d. when the insured is a member of the faculty or teaching staff of a school or college:

(1) for bodily injury or property damage arising out of the maintenance, use, loading or unloading of:

(a) draft or saddle animals, including vehicles for use with them; or

(b) aircraft, motor vehicles, recreational motor vehicles or watercraft, airboats, air cushions or personal watercraft which use a water jet pump powered by an internal combustion engine as the primary source of propulsion;

owned or operated, or hired by or for the insured or employer of the insured or used by the insured for the purpose of instruction in the use thereof; or

(2) under Coverage M for bodily injury to a pupil arising out of corporal punishment administered by or at the direction of the insured;

Option FA - Firearms. Firearms are insured for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. we do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:

- a. mechanical breakdown, wear and tear, gradual deterioration;
- b. insects or vermin;
- c. any process of refinishing, renovating, or repairing;
- d. dampness of atmosphere or extremes of temperatures;
- e. inherent defect or faulty manufacture;
- f. rust, fouling or explosion of firearms;

g. breakage, marring, scratching, tearing or denting unless caused by fire, thieves or accidents to conveyances; or

h. infidelity of an insured's employees or persons to whom the insured property may be entrusted or rented;

2. our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;

3. our limits for loss by theft are those shown in the Declarations for this option. These limits apply in lieu of the Coverage B theft limit; and

4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the Declarations.

Option HC - Home Computer. The **COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, item i.**, for electronic data processing system equipment and the recording or storage media used with that equipment is increased to be the amount shown in the Declarations for this option.

Option ID - Increased Dwelling Limit. We will settle losses to damaged building structures covered under **COVERAGE A - DWELLING** according to the **SECTION I - LOSS SETTLEMENT** provision shown in the Declarations.

If the amount you actually and necessarily spend to repair or replace damaged building structures exceeds the applicable limit of liability shown in the Declarations, we will pay the additional amounts not to exceed:

1. the Option ID limit of liability shown in the Declarations to repair or replace the Dwelling; or
2. 10% of the Option ID limit of liability to repair or replace building structures covered under **COVERAGE A - DWELLING, Dwelling Extension.**

Report Increased Values. You must notify us within 90 days of the start of any new building structure costing \$5,000 or more; or any additions to or remodeling of building structures which increase their values by \$5,000 or more. You must pay any additional premium due for the increased value. We will not pay more than the applicable limit of liability shown in the Declarations, if you fail to notify us of the increased value within 90 days.

Option IO - Incidental Business. The coverage provided by this option applies only to that incidental business occupancy on file with us.

1. **COVERAGE A - DWELLING, Dwelling Extension, item 2.b.** is deleted.

2. **COVERAGE B - PERSONAL PROPERTY** is extended to include equipment, supplies and furnishings usual and incidental to this business occupancy. This Optional Policy Provision does not include electronic data processing system equipment or the recording or storage media used with that equipment or merchandise held as samples or for sale or for delivery after sale.

The Option IO limits are shown in the Declarations. The first limit applies to property on the residence premises. The second limit applies to property while off the residence premises. These limits are in addition to the **COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability** on property used or intended for use in a business.

3. Under Section II, the residence premises is not considered business property because an insured occupies a part of it as an incidental business.

4. **SECTION II - EXCLUSIONS, item 1.b. of Coverage L and Coverage M** is replaced with the following:

b. **bodily injury or property damage** arising out of business pursuits of an insured or the rental or holding for rental of any part of any premises by an insured. This exclusion does not apply:

(1) to activities which are ordinarily incident to non-business pursuits or to business pursuits of an insured which are necessary or incidental to the use of the residence premises as an incidental business;

(2) with respect to Coverage L to the occasional or part-time business pursuits of an insured who is under 19 years of age;

(3) to the rental or holding for rental of a residence of yours

(a) on an occasional basis for exclusive use as a residence;

(b) in part, unless intended for use as a residence by more than two roomers or boarders; or

(c) in part, as an incidental business or private garage;

(4) when the dwelling on the residence premises is a two family dwelling and you occupy one part and rent or hold for rental the other part; or

(5) to farm land (without buildings), rented or held for rental to others, but not to exceed a total of 500 acres, regardless of the number of locations.

5. This insurance does not apply to:

a. **bodily injury** to an employee of an insured arising out of the residence premises as an incidental business other than to a residence employee while engaged in the employee's employment by an insured;

b. **bodily injury** to a pupil arising out of corporal punishment administered by or at the direction of the insured;

c. liability arising out of any acts, errors or omissions of an insured, or any other person for whose acts an insured is liable, resulting from the preparation or approval of data, plans, designs, opinions, reports, programs, specifications, supervisory inspections or engineering services in the conduct of an insured's incidental business involving data processing, computer consulting or computer programming; or

d. any claim made or suit brought against any insured by:

(1) any person who is in the care of any insured because of child care services provided by or at the direction of:

(a) any insured;

(b) any employee of any insured; or

(c) any other person actually or apparently acting on behalf of any insured; or

- (2) any person who makes a claim because of bodily injury to any person who is in the care of any insured because of child care services provided by or at the direction of:

- (a) any insured;
- (b) any employee of any insured; or
- (c) any other person actually or apparently acting on behalf of any insured.

Coverage M does not apply to any person indicated in (1) and (2) above.

This exclusion does not apply to the occasional child care services provided by any insured, or to the part-time child care services provided by any insured who is under 19 years of age.

Option JF - Jewelry and Furs: Jewelry, watches, fur garments and garments trimmed with fur, precious and semi-precious stones, gold other than goldware, silver other than silverware and platinum are insured for accidental direct physical loss or damage.

The limits for this option are shown in the Declarations. The first amount is the limit for any one article; the second amount is the aggregate limit for each loss.

The following additional provisions apply:

1. We do not insure for any loss to the property described in this option either consisting of, or directly and immediately caused by, one or more of the following:
 - a. mechanical breakdown, wear and tear, gradual deterioration;
 - b. insects or vermin;
 - c. inherent vice; or
 - d. seizure or destruction under quarantine or customs regulations;
2. our limit for loss by any Coverage B peril except theft is the limit shown in the Declarations for Coverage B, plus the aggregate limit;
3. our limits for loss by theft are those shown in the Declarations for this option; and

4. our limits for loss by any covered peril except those in items 2. and 3. are those shown in the Declarations for this option.

Option OL - Building Ordinance or Law.

1. Coverage Provided.

The total limit of insurance provided by this Building Ordinance or Law provision will not exceed an amount equal to the Option OL percentage shown in the Declarations of the Coverage A limit shown in the Declarations at the time of the loss, as adjusted by the inflation coverage provisions of the policy. This is an additional amount of insurance and applies only to the dwelling.

2. Damaged Portions of Dwelling.

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will pay for the increased cost to repair or rebuild the physically damaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.

3. Undamaged Portions of Damaged Dwelling.

When the dwelling covered under **COVERAGE A - DWELLING** is damaged by a Loss Insured we will also pay for:

- a. the cost to demolish and clear the site of the undamaged portions of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs; and
- b. loss to the undamaged portion of the dwelling caused by enforcement of any ordinance or law if:
 - (1) the enforcement is directly caused by the same Loss Insured;
 - (2) the enforcement requires the demolition of portions of the same dwelling not damaged by the same Loss Insured;

- (3) the ordinance or law regulates the construction or repair of the dwelling, or establishes zoning or land use requirements at the described premises; and
 - (4) the ordinance or law is in force at the time of the occurrence of the same Loss Insured; or
 - c. the legally required changes to the undamaged portion of the dwelling caused by the enforcement of a building, zoning or land use ordinance or law if the enforcement is directly caused by the same Loss Insured and the requirement is in effect at the time the Loss Insured occurs.
- 4. Building Ordinance or Law Coverage Limitations.**
- a. We will not pay for any increased cost of construction under this coverage:
 - (1) until the dwelling is actually repaired or replaced at the same or another premises in the same general vicinity; and
 - (2) unless the repairs or replacement are made as soon as reasonably possible after the loss, not to exceed two years.
 - b. We will not pay more for loss to the undamaged portion of the dwelling caused by the enforcement of any ordinance or law than:

- (1) the depreciated value of the undamaged portion of the dwelling, if the dwelling is not repaired or replaced;
- (2) the amount you actually spend to replace the undamaged portion of the dwelling if the dwelling is repaired or replaced.
- c. We will not pay more under this coverage than the amount you actually spend:
 - (1) for the increased cost to repair or rebuild the dwelling at the same or another premises in the same general vicinity if relocation is required by ordinance or law; and
 - (2) to demolish and clear the site of the undamaged portions of the dwelling caused by enforcement of building, zoning or land use ordinance or law.

We will never pay for more than a dwelling of the same height, floor area and style on the same or similar premises as the dwelling, subject to the limit provided in paragraph 1. Coverage Provided of this option.

Option SG - Silverware and Goldware Theft. The COVERAGE B - PERSONAL PROPERTY, Special Limits of Liability, item h., for theft of silverware and goldware is increased to be the amount shown in the Declarations for this option.

IN WITNESS WHEREOF, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

Lynne M. Youell

Secretary

Thomas Condy

President

The Board of Directors, in accordance with Article VI(c) of this Company's Articles of Incorporation, may from time to time distribute equitably to the holders of the participating policies issued by said Company such sums out of its earnings as in its judgment are proper.

MARIN COUNTY SUPERIOR COURT

P.O. Box 4988
San Rafael, CA 94913-4988

PLAINTIFF:

Yamaguchi

CASE NO.

CIV 2102396

DEFENDANT:

State Farm General Ins.
Insurance Co.NOTICE OF CASE
MANAGEMENT CONFERENCE
(CIVIL)

(Pursuant to Government Code Section 68600 et seq.)

Pursuant to Local Rule 1.3, the plaintiff must serve a copy of this Notice of Case Management Conference, a blank Case Management Statement (Judicial Council Form CM-110), a blank Notice of Settlement of Entire Case (Judicial Council Form CM-200), and an Alternative Dispute Resolution (ADR) Informational Notice (CV006) together with the complaint on all parties.

This case is assigned for all purposes to Judge JAMES T. CHOU in Courtroom B.

1. The parties/counsel to this action shall comply with the filing and service deadlines in Local Rule 1.5 and California Rule of Court 3.110, or appear at the Order to Show Cause hearing on the dates set forth below:

Failure to File Proof of Service

11

8:30 / 9:00 A.M.

Failure to Answer

11

8:30 / 9:00 A.M.

2. Parties must appear for Case Management Conference on

12, 16, 21

8:30 / 9:00 A.M.

3. The parties must be familiar with the case and be fully prepared to discuss the suitability of the case for binding or non-binding arbitration, mediation, or neutral case evaluation. **Counsel must discuss ADR options with their clients prior to attending the Case Management Conference** and should be prepared to discuss with the court their authority to participate in ADR.
4. Case Management Conference Statements must be filed with the court and served on all parties at least 15 calendar days before the Case Management Conference. **(Late filing may result in the issuance of sanctions.)**

Distribution: Original - Court File; Canary - Plaintiff

CV008

NOTICE OF CASE MANAGEMENT CONFERENCE (CIVIL)
(Pursuant to Government Code § 68600 et seq.)

Rev. 7/15/15

MARIN COUNTY SUPERIOR COURT

3501 Civic Center Drive
P.O. Box 4988
San Rafael, CA 94913-4988
(415) 444-7040



ALTERNATIVE DISPUTE RESOLUTION (ADR) INFORMATIONAL NOTICE
(California Rule of Court 3.221)

The plaintiff must serve a copy of this notice with the complaint on all parties to this case.

Alternative Dispute Resolution (ADR) is a way of solving legal disputes without going to trial. Using ADR may have a variety of benefits, depending on the type of ADR process used and the circumstances of the particular case.

ADVANTAGES OF ADR:

Save Time

A dispute often can be settled or decided much sooner with ADR; often in a matter of months, even weeks, while bringing a lawsuit to trial can take a year or more.

Save Money

When cases are resolved earlier through ADR, the parties may save some of the money they would have spent on attorney fees, court costs, experts' fees, and other litigation expenses.

Increase Control Over the Process and the Outcome

In ADR, parties typically play a greater role in shaping both the process and its outcome. In most ADR processes, parties have more opportunity to tell their side of the story than they do at trial. Some ADR processes, such as mediation, allow the parties to fashion creative resolutions that are not available in a trial. Other ADR processes, such as arbitration, allow the parties to choose an expert in a particular field to decide the dispute.

Preserve Relationships

ADR can be a less adversarial way to resolve a dispute. For example, an experienced mediator can help the parties effectively communicate their needs and point of view to the other side. This can be an important advantage where the parties have a relationship to preserve.

Increase Satisfaction

In a trial, there is typically a winner and a loser. The loser is not likely to be happy, and even the winner may not be completely satisfied with the outcome. ADR can help the parties find win-win solutions and achieve their real goals. This, along with all of ADR's other potential advantages, may increase the parties' overall satisfaction with both the dispute resolution process and the outcome.

DISADVANTAGES OF ADR

If the case is resolved using ADR, the parties forgo their right to a public trial and they do not receive a decision by a judge or jury. If the case is not resolved using ADR and it proceeds to trial, the overall costs of the case may increase.

TYPES OF ADR

Mediation

In mediation, an impartial person called a "mediator" helps the parties try to reach a mutually acceptable resolution of the dispute. The mediator does not decide the dispute but helps the parties communicate so they can try to settle the dispute themselves. Mediation leaves control of the outcome with the parties.

Settlement Conferences

Settlement conferences may be either mandatory or voluntary. In both types of settlement conferences, the parties and their attorneys meet with a judge or a neutral person called a "settlement officer" to discuss possible settlement of their dispute. The judge or settlement officer does not make a decision in the case but assists the parties in evaluating the strengths and weaknesses of the case and in negotiating a settlement. Settlement conferences are appropriate in any case where settlement is an option. Mandatory settlement conferences are often held close to the date a case is set for trial.

Arbitration

In arbitration, a neutral person called an "arbitrator" hears arguments and evidence from each side and then decides the outcome of the dispute. Arbitration is less formal than a trial, and the rules of evidence are often relaxed. Arbitration may be either "binding" or "nonbinding." *Binding arbitration* means that the parties waive their right to a trial and agree to accept the arbitrator's decision as final. Generally, there is no right to appeal an arbitrator's decision. *Nonbinding* arbitration means that the parties are free to request a trial if they do not accept the arbitrator's decision.

Neutral Evaluation

In neutral evaluation, each party gets a chance to present the case to a neutral person called an "evaluator." The evaluator then gives an opinion on the strengths and weaknesses of each party's evidence and arguments and about how the dispute could be resolved. The evaluator is often an expert in the subject matter of the dispute. Although the evaluator's opinion is not binding, the parties typically use it as a basis for trying to negotiate a resolution of the dispute.

LOCAL ADR PROGRAMS

For a Directory of Mediators and Arbitrators or information about the Modest Means Mediation Program, contact the Marin County Bar Association (MCBA) by calling (415) 499-1314 or emailing info@marinbar.org. Additional information is also available on the MCBA website: www.marinbar.org.

STIPULATION TO USE ADR

If all parties in the action agree to participate in ADR, a *Stipulation to Use Alternative Dispute Resolution Process (CV002)* may be filed with the court. This form is available at www.marinccourt.org or in the Clerk's Office.

Please note, **you are required to complete and submit the Notice of Settlement of Entire Case (Judicial Council Form CJM-200) within 10 days of the resolution of your case.**

EXHIBIT B



State of California Secretary of State

Statement of Information

(Foreign Corporation)

FEES (Filing and Disclosure): \$25.00.

If this is an amendment, see instructions.

IMPORTANT – READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

F

GB72103

FILED

In the office of the Secretary of State
of the State of California

DEC-30 2019

1. CORPORATE NAME

STATE FARM GENERAL INSURANCE COMPANY

2. CALIFORNIA CORPORATE NUMBER

C0442626

This Space for Filing Use Only

No Change Statement (Not applicable if agent address of record is a P.O. Box address. See instructions.)

3. If there have been any changes to the information contained in the last Statement of Information filed with the California Secretary of State, or no statement of information has been previously filed, this form must be completed in its entirety.

☐ If there has been no change in any of the information contained in the last Statement of Information filed with the California Secretary of State, check the box and proceed to **Item 13**.

Complete Addresses for the Following (Do not abbreviate the name of the city. Items 4 and 5 cannot be P.O. Boxes.)

4. STREET ADDRESS OF PRINCIPAL EXECUTIVE OFFICE CITY STATE ZIP CODE
ONE STATE FARM PLAZA, BLOOMINGTON, IL 61710

5. STREET ADDRESS OF PRINCIPAL BUSINESS OFFICE IN CALIFORNIA, IF ANY CITY STATE ZIP CODE

6. MAILING ADDRESS OF THE CORPORATION, IF DIFFERENT THAN ITEM 4 CITY STATE ZIP CODE

Names and Complete Addresses of the Following Officers (The corporation must list these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

7. CHIEF EXECUTIVE OFFICER/ ADDRESS CITY STATE ZIP CODE
THOMAS MICHAEL CONLEY 21650 OXNARD STREET SUITE 2050, WOODLAND HILLS, CA 91367

8. SECRETARY ADDRESS CITY STATE ZIP CODE
LYNNE MADDEN YOWELL ONE STATE FARM PLAZA, BLOOMINGTON, IL 61710

9. CHIEF FINANCIAL OFFICER/ ADDRESS CITY STATE ZIP CODE
TREASURER - JON CHARLES FARNEY ONE STATE FARM PLAZA, BLOOMINGTON, IL 61710

Agent for Service of Process If the agent is an individual, the agent must reside in California and Item 11 must be completed with a California street address, a P.O. Box address is not acceptable. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to California Corporations Code section 1505 and Item 11 must be left blank.

10. NAME OF AGENT FOR SERVICE OF PROCESS

CORPORATION SERVICE COMPANY WHICH WILL DO BUSINESS IN CALIFORNIA AS CSC - LAWYERS INCORPORATING SERVICE

11. STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE

Type of Business

12. DESCRIBE THE TYPE OF BUSINESS OF THE CORPORATION
INSURANCE

13. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

12/30/2019

KAROL J ADAMS

SENIOR FINANCE ANALYST

DATE

TYPE/PRINT NAME OF PERSON COMPLETING FORM

TITLE

SIGNATURE